

## LANXESS Q3 2010 Financial Summary for Investors and Analysts

- **35% sales growth, based on price and volume, despite maintenance turnarounds**
- **Strong focus on BRIC markets, 86% sales expansion in Latin America**
- **Raw material cost inflation fully offset by selling price increases**
- **Year to date earnings per share reach €4.24**
- **2010 guidance raised: EBITDA pre exceptionals roughly €900 million**

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### Overview Financials

#### Q3 Group Results:

- Sales increased yoy on higher prices (+17%) and volumes (+9%) as well as currency (+7%) and portfolio (+1%) effects
- Simultaneous price and volume increases in tandem in all segments
- Timely implementation of price increases overcompensates rise in input costs
- Strong improvement in EBITDA pre despite planned maintenance in BTR and PBR
- Solid Balance Sheet albeit significant increase in investments and working capital

### Q3 Business Overview

#### Performance Polymers

- **Strong price increases and solid volumes – EBITDA held back by maintenance turnarounds**
- Sales deviation yoy: Price +30%, Volume +11%, Currency +9%, (approximate numbers)
- All BUs manage successful price increases
- Risen raw material prices, especially Butadiene, fully pushed through
- Volumes higher in almost all BUs
- Some support from currencies vs. 2009
- Planned maintenance turnarounds in BTR and PBR have respective cost and margin impact on segment level
- Capex rises on new BTR plant, notable increase also planned for Q4

### Advanced Intermediates

- **Strong performance despite agro weakness**
- Sales deviation yoy: Price +6%, Volume +4%, Currency +4%, Portfolio +4% (approximate numbers)
- Overall, prices and volumes increased
- Demand from agro end-markets remains soft albeit some light at the end of the tunnel, however no relief before beginning of next year
- Positive view on underlying agrochemical trends intact
- Portfolio effect reflects Gwalior & Jiangsu Polyols acquisitions
- New BAC cresol capacities contribute to earnings
- Segment EBITDA and margins continue stable development
- Capex increase mainly due to formalin project in BAC

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### Performance Chemicals

- **EBITDA improvement and solid margin based on price and volume increases**
- Sales deviation yoy: Price +4%, Volume +10%, Currency +7% (approximate numbers)
- Sales strongly improved on solid volumes as well as good pricing with further support from currencies
- All businesses with operational sales growth
- LEA, RUC and FCC with highest contribution to EBITDA improvement, almost no seasonal effects
- IPG with solid growth, beating a soft construction market
- LEA business benefits from chrome ore pricing
- Capex mainly reflects expansion projects of BU ION as well as expansion of Mesamoll production in BU FCC

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## 2010 Business environment and guidance: LANXESS is optimistic for 2010

### Macro-economic environment:

- Global markets continue their recovery, highest momentum remains in emerging markets
- Good business environment expected to continue, however macroeconomic risks from high fiscal debt levels and currency volatilities remain
- Raw material prices are expected to stabilize at their current high levels for the remaining months of 2010

**Guidance:**

- **EBITDA pre FY 2010 is expected to be roughly €900 m assuming continued positive macroeconomic development**
- “Challenge09-12” compensation payment to workforce for exceptional 2010 recovery (~€20 m)
- Capex\* : ~€450-470 m
- Hedging 2010 : ~40% at 1.30-1.40 USD / EUR  
2011 : ~30% at 1.30-1.40 USD / EUR
- Exceptionals : ~€20 m P&L expenses / one time costs
- Cash outs : ~€40 m for restructuring
- Challenge09-12: additional expenses of ~20 m in H2 2010, ~€50 m in 2011 vs. 2010

\*without projects financed by customers

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Leverkusen, November 10, 2010

**Forward-Looking Statements**

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

## Financial Overview Q3 2010

in € million

	LANXESS			Perf. Polymers			Advanced Intermed.			Performance Chem.			Others/ Cons.		
	Q3 09	Q3 '10	Chg. in %	Q3 09	Q3 '10	Chg. in %	Q3 09	Q3 '10	Chg. in %	Q3 09	Q3 '10	Chg. in %	Q3 09	Q3 '10	Chg. in %
<b>Sales</b>	1373	1847	35%	656	986	50%	284	336	18%	425	515	21%	8	10	25%
Price*			17%			30%			6%			4%			0%
Volume*			9%			11%			4%			10%			13%
Currency*			7%			9%			4%			7%			13%
Portfolio*			1%			0%			4%			0%			0%
<b>EBIT</b>	64	169	>100%	32	107	>100%	22	41	86%	46	67	46%	-36	-46	n.m.
Deprec. & amortizat.	66	69	5%	34	36	6%	13	14	8%	16	16	0%	3	3	0%
<b>EBITDA</b>	130	238	83%	66	143	>100%	35	55	57%	62	83	34%	-33	-43	n.m.
exceptionals in EBITDA	13	6	-54%	10	1	-90%	5	0	n.m.	5	0	n.m.	-7	5	n.m.
<b>EBITDA pre excep.</b>	143	244	71%	76	144	89%	40	55	38%	67	83	24%	-40	-38	n.m.
normalized D&A	66	69	5%	34	36	6%	13	14	8%	16	16	0%	3	3	0%
<b>EBIT pre excep.</b>	77	175	>100%	42	108	>100%	27	41	52%	51	67	31%	-43	-41	n.m.
exceptionals in EBIT	13	6	-54%	10	1	-90%	5	0	n.m.	5	0	n.m.	-7	5	n.m.
<b>Capex</b>	52	107	>100%	25	54	>100%	6	24	>100%	19	25	32%	2	4	100%
<b>Net financial debt</b>	794**	865	9%												

\* approximate numbers

\*\*per Dec. 31

## Financial Overview 9M 2010

in € million

	LANXESS			Perf. Polymers			Advanced Intermed.			Performance Chem.			Others/ Cons.		
	9M '09	9M '10	Chg. in %	9M '09	9M '10	Chg. in %	9M '09	9M '10	Chg. in %	9M '09	9M '10	Chg. in %	9M '09	9M '10	Chg. in %
<b>Sales</b>	3665	5288	44%	1663	2772	67%	827	980	19%	1148	1507	31%	27	29	7%
Price*			14%			29%			5%			0%			0%
Volume*			25%			34%			6%			27%			4%
Currency*			3%			4%			2%			4%			4%
Portfolio*			1%			0%			6%			0%			0%
<b>EBIT</b>	106	529	>100%	26	348	>100%	84	118	40%	96	196	>100%	-100	-133	n.m.
Deprec. & amortizat.	194	204	5%	99	108	9%	35	41	17%	49	49	0%	11	6	-45%
<b>EBITDA</b>	300	733	>100%	125	456	>100%	119	159	34%	145	245	69%	-89	-127	n.m.
exceptionals in EBITDA	21	13	-38%	11	3	-73%	5	0	0%	5	0	n.m.	0	10	n.m.
<b>EBITDA pre excep.</b>	321	746	>100%	136	459	>100%	124	159	28%	150	245	63%	-89	-117	n.m.
normalized D&A	191	204	7%	99	108	9%	35	41	17%	49	49	0%	8	6	-25%
<b>EBIT pre excep.</b>	130	542	>100%	37	351	>100%	89	118	33%	101	196	94%	-97	-123	n.m.
exceptionals in EBIT	24	13	-46%	11	3	-73%	5	0	n.m.	5	0	n.m.	3	10	>100%
<b>Capex</b>	161	206	28%	81	106	31%	23	35	52%	51	57	12%	6	8	33%
<b>Net financial debt</b>	794**	865	9%												

\* approximate numbers

\*\*per Dec. 31

**Abbreviations:**

<b>BAC</b>	<b>Basic Chemicals</b>
<b>BTR</b>	<b>Butyl Rubber</b>
<b>FCC</b>	<b>Functional Chemicals</b>
<b>ION</b>	<b>Ion Exchange Resins</b>
<b>IPG</b>	<b>Inorganic Pigments</b>
<b>LEA</b>	<b>Leather</b>
<b>MPP</b>	<b>Material Protection Products</b>
<b>PBR</b>	<b>Performance Butadiene Rubbers</b>
<b>RCH</b>	<b>RheinChemie</b>
<b>RUC</b>	<b>Rubber Chemicals</b>
<b>SCP</b>	<b>Semi-Crystalline Products</b>
<b>SGO</b>	<b>Saltigo</b>
<b>TRP</b>	<b>Technical Rubber Products</b>

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