LANXESS – Operational success in a challenging environment

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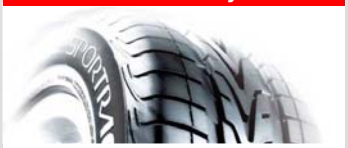
Agenda

LANXESS consists of three powerful segments

LANXESS – Energizing Chemistry

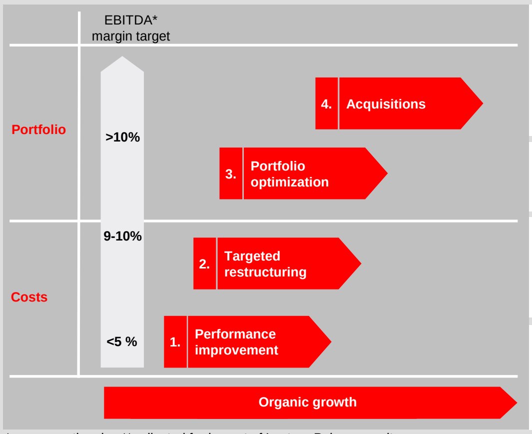
Sales[1] €6.6 bn; EBITDA[2] €719 bn; ~14.600 employees (2007)

Performance Polymers	Advanced Intermediates	Performance Chemicals
		
Globally either player number one, two or three	In Europe either number one or number two	Number one to number four in niche positions
▪ Sales : €2,680 m ▪ EBITDA² : €376 m ▪ Employees: 4,334	▪ Sales : €1,204 m ▪ EBITDA² : €174 m ▪ Employees: 2,450	▪ Sales : €1,970 m ▪ EBITDA² : €285 m ▪ Employees: 5,223

Competitiveness across the portfolio

[1]Group sales FY07 including Engineering Plastics and reconciliation [2]Pre exceptionals

Consistent delivery as four-phase strategy is implemented



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

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

Targeted restructuring
- Four restructuring packages successfully implemented
- Cost reduction of approx. €165 m achieved until 2008e (€205m annually from 2009**)

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

* pre exceptionals ** adjusted for impact of Lustran Polymers exit

Restructuring effects of four initiated programs last into 2009

Phase I+II+III+IV (€ m)	2005	2006	2007	2008e	2009e
P&L Expenses	-166	-31	-41	-35	-5
Cash outs	-10	-89	-70	-120	-5
Headcount reduction	~540	~650	~280	~40	0
Cost reduction vs. prior year	**10**	**55**	**50**	**50**	**40**
Cost reduction cumulative	10	65	115	165	205
EBITDA improvement vs. prior year	**10**	**50**	**35**	**35**	**25**
EBITDA improvement cumulative	10	60	95	130	155

Restructuring implementation continues according to plan

Portfolio management has continuously strengthened the company

Divested
Acquired

	Leadership Position	Cyclicality	Profitability Expectation	Business Driver
Fibers	Weak	High	Low	Market shifting to Asia
Paper	Moderate	Moderate	Medium	High industry consolidation
Textile Processing Chem.	Weak	Moderate	Medium	Market shifting to Asia
Lustran Polymers	Good	High	Low	Overcapacities, Commoditization
CISA	Good	Low	High	Upstream Integration
Petroflex	Good	Low	High	Global mobility trends

In the past four years LANXESS delivered on its strategy

		Spin-off 2005	January 2009
Financials	▪ EBITDA¹ ▪ Profitability² ▪ Net fin. debt³ / EBITDA¹	market expectation: ~€450 m ~6.6% ~2.5x	€710 m - €730 m for FY2008 11.3% <1.5x
Legacy	▪ Portfolio	still incl. LUP, FIB, PAP, TPC	all divested
Operations	▪ Headcount³ ▪ Restructuring ▪ Cyclicality	19,659 restructuring questionable high	14,983 Phase 1-4 implemented / ongoing lower
Capital Market	▪ EV / EBITDA¹ Multiple ▪ Liquidity ▪ Dividend policy ▪ Rating	~5x short term no policy S&P: weak BBB-	<3x sound and long term dividend policy in place S&P: BBB, Moody's: Baa2

15 quarters of delivery

[1] EBITDA pre exceptionals; [2] EBITDA pre exceptional margin, for 9M 2008 LTM; [3] value in first column as per Dec 31, 2004, second column is Sept. 30, 2008

Sustainable improvement trend of financials, based on strong operations

In € m	2004	2005	2006	2007	2008e
EBITDA*	447	581	675	719	710-730
EBITDA* margin	6.6%	8.1%	9.7%	10.9%	peer level
Net financial debt	1,135	680	511	460	841***
Net fin. debt / EBITDA*	2.5x	1.2x	0.8x	0.6x	<1.5x
Underlying EPS**	0.65	1.19	2.69	3.36	

Strength

Financial metrics continuously improved

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

Agenda

1. Strategy and track record
2. Financial overview
3. Outlook and guidance 2008
4. Taking action

9M 2008 financial overview: EBITDA margin expansion despite raw material pressure and unfavourable currency effects

(€ m)	9M 2007	9M 2008	∆ in %
Sales	**5,143**	**5,114**	**-0.6%**
EBITDA pre except.	**605**	**634**	**4.8%**
margin	11.8%	12.4%	
Net Income	**107**	**212**	**98.1%**
Capex	**170**	**180**	**5.9%**

(€ m)	30.06.2008	30.09.2008	∆ in %
Net Financial Debt	**887**	**841**	**-5.2%**
Net Working Capital	**1,511**	**1,579**	**4.5%**
Employees	**15,072**	**14,983**	**-0.6%**

- Sales remained almost stable as price increases offset negative currency effects. Consolidation of Petroflex mitigates sales effect due to absence of LUP
- EBITDA pre exceptionals rose by around 5% mainly due to strong pricing in all segments and Petroflex' contribution
- EBITDA margin, even though burdened by a weak U.S. dollar, improved nicely
- Working capital mirrors acquisition and seasonal movement

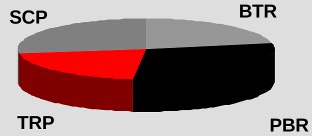
Operationally successful and resilient first 9M 2008

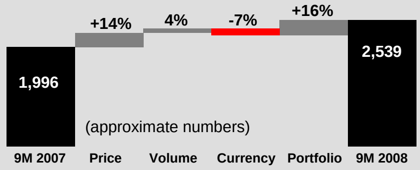
Performance Polymers: a powerful business

(€ m)	9M 2007	9M 2008
Sales	**1,996**	**2,539**
EBIT	213	202
Depr. / Amort.	76	103
EBITDA	289	305
EBITDA pre except.	**289**	**358**
Margin	14.5%	14.1%
Capex	**78**	**84**

- Sales increase on the back of healthy pricing and increased volume in all BUs, as well as portfolio effects, offsetting unfavourable currencies
- PBR benefits from strong Asian business. US/European volume limited by raw material availability
- BTR and PBR with nice pricing overcompensating currency effects and volume softening in TRP due to flooding in Orange, TX
- SCP benefits from long term contracts in Caprolactam
- Capex increase on BTR maintenance and shift of NBR from Sarnia to La Wantzenau

Sales by BU:



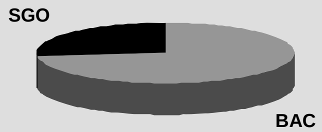


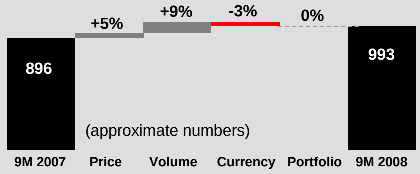
Advanced Intermediates: solid price and volume increases compensate currency and raw material effects

(€ m)	9M 2007	9M 2008
Sales	**896**	**993**
EBIT	121	112
Depr. / Amort.	27	33
EBITDA	148	145
EBITDA pre except.	**148**	**145**
Margin	16.5%	14.6%
Capex	**30**	**43**

- Strong volumes and good pricing in both BUs overcompensate 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 volume, raw material price increases are compensated and absolute EBITDA* protected while margins get diluted

Sales by BU:





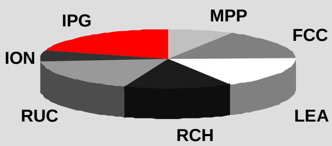
* Pre exceptionals

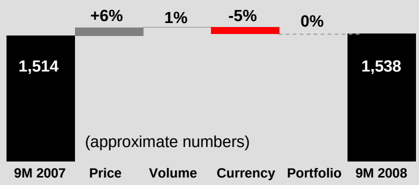
Performance Chemicals: sound operational performance offsets raw material and currency effects

(€ m)	9M 2007	9M 2008
Sales	**1,514**	**1,538**
EBIT	169	162
Depr. / Amort.	65	57
EBITDA	234	219
EBITDA pre except.	**238**	**225**
Margin	15.7%	14.6%
Capex	**37**	**46**

- Sales increase on the back of healthy pricing, thus offsetting currency effects
- Good pricing, especially in LEA (chrome ore) and RUC
- EBITDA* almost reached previous year's level despite slightly lower returns in IPG (exposure to construction industry) and MPP (wood protection)
- IPG price increases offset raw material price hikes. Strong volumes from construction in BRIC region mitigate market weakness in US and parts of Europe
- Raw Material price increases and the weak USD weigh on segment margin

Sales by BU:





* Pre exceptionals

Lower net debt compared to Q2 2008

(€ m)	Jun 30, 2008	Sept 30, 2008
Non-current Assets	**2,092**	**2.150**
Intangible assets	143	130
Property, plant & equipment	1,590	1,605
Equity investments	46	47
Other investments	2	2
Financial assets	64	78
Deferred taxes	93	132
Other non-current assets	154	156
Current Assets	**2,758**	**2,825**
Inventories	1,047	1,129
Trade accounts receivable	1,080	1,051
Financial assets	264	232
Other current assets	184	169
Liquid assets	183	244
Total Assets	**4,850**	**4,975**

(€ m)	Jun 30, 2008	Sept 30, 2008
Stockholders' Equity	**1,626**	**1,645**
thereof minority interest	78	78
Non-current Liabilities	**1,858**	**1,801**
Pension & post empl. provisions	477	489
Other provisions	332	317
Financial liabilities	826	829
Tax liabilities	63	67
Other liabilities	90	44
Deferred taxes	70	55
Current Liabilities	**1,366**	**1,529**
Other provisions	340	391
Financial liabilities	251	313
Trade accounts payable	616	601
Tax liabilities	39	54
Other liabilities	120	170
Total Equity & Liabilities	**4,850**	**4,975**

Strong backbone in turbulent markets

Financing and liquidity situation is very comfortable
No need to re-finance in current turbulent markets

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 September 30, 2008 (€244 m) ▪ €250m 3-year term loan for Petroflex acquisition, fully drawn as of 13 Nov 2008 ▪ Over €500 m short-term committed bilateral credit facilities

* Excluding pensions

Cash flow indicates persisting operational stability

(€ m)	9M 2007	9M 2008
Profit before Tax	**196**	**299**
Depreciation & amortization	236	203
Gain from sale of assets	0	-13
Result from investment in associate	-16	-17
Financial (gains) losses	7	56
Cash tax payments	-78	-78
Changes in other assets and liabilities	153	106
Operating Cash Flow before changes in WC	**498**	**556**
Changes in Working Capital	-158	-236
Operating Cash Flow	**340**	**320**
Investing Cash Flow	**-242**	**-356**
thereof Capex	**-170**	**-180**
Financing Cash Flow	**-115**	**91**

- Solid business delivers an improved profit before tax
- Operating cash flow for 9M 2008 contains ~€35 m restructuring cash out
- Working capital increase due to higher raw material costs and preparation for maintenance turnarounds
- Investing cash flow contains payment for acquisition of Petroflex

Underlying cash flow strength remains

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Macroeconomic environment has become even more challenging

LANXESS is exposed to a rapidly changing market environment

- LANXESS already expected further decline of U.S. and European economies for the remainder of the year 2008
- EBITDA pre exceptionals will be influenced by the valuation of inventories at the end of the year

- Starting in Q4 2008, demand declined substantially
- Raw material prices collapsed and pattern is expected to continue into 2009
- Q1 2009 is expected to start on a very low level of demand
- After Chinese New Year, pick-up of demand in the industry expected from Asia in March, however true momentum not seen to return before H2 2009

LANXESS maintains its guidance 2008 despite a very weak Q4 2008

Strong market positions of well prepared businesses provide confidence

EBITDA* FY 2008: €710 - 730 m

Further financial information:

- Exceptional P&L expense FY 2008 expected around €70-90 m
- Exceptional cash outs FY 2008 expected around €90-100 m
- Tax rate ~30% for FY 2008
- Capex FY 2008: €330-350 m

Inventory valuation will influence the final EBITDA* figure

* Pre exceptionals

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Cost measures taken in Q3 2008: operationally managing slowing demand

Various actions have been agreed and are realized

- New combined regional structure for the U.S. and Canadian organizations
- Mothballing of an EPDM (BU TRP) production line in Orange, Texas
- Consolidation of worldwide NBR production at one very competitive site in La Wantzenau, France
  - Shifting of Canadian (Sarnia) and Brazilian (Petroflex) production
  - Result: one very competitive NBR production site worldwide with capacities to produce up to 100kt
- Acceleration of already announced and planned restructuring measures on our site in Sarnia, Canada, resulting in a reduction of workforce by 330 employees (of which 200 are already accomplished)
- Restructuring of our Belgian affiliate LANXESS Rubber NV in Zwijndrecht with a workforce reduction from 500 to around 370

Sense of urgency has always been our strength

Cost measures taken in Q4 2008: LANXESS actively addresses the challenges it faces

Realignment of BU Functional Chemicals (FCC) and additional production cuts & efficiency measures

- FCC develops and produces
  - polymer additives, phosphorus-, specialty chemicals, colorants
  - at sites in Leverkusen, Dormagen and Krefeld-Uerdingen in Germany and in Lerma, Mexico
- FCC currently employs ~650 employees worldwide, thereof 450 in Germany
- Ongoing implementation of measures to improve competitiveness:
  - Focus on three areas of business instead of four
  - Up to 120 functions worldwide will be affected
- Additionally:
  - temporary production cutbacks and shutdowns in 23 of 45 German plants reaching into January 2009
  - streamlining of Petroflex production operations and contracted services in first quarter 2009. Measures affect ~50 employees and ~350 external service providers

Sense of urgency has always been our strength

Various other measures along the value chain are employed

Supply management	▪ Strategic supplier risk monitoring (D&B, S&P) ▪ Supplier risk management, daily contact with main suppliers ▪ Transition to more flexible supplier contracts ▪ Further broaden supplier network to flexibly react on FX opportunities ▪ Leverage LANXESS global supply organization (arbitrage)
Operations	▪ Daily / weekly trading updates from major businesses ▪ Monitoring of plant efficiency ▪ Exchange with workers' representatives to be able to adequately react on demand weakness ▪ Tight Working Capital management
Customer management	▪ Close credit risk monitoring of top 250 customers ▪ Marketing force in extended contact with customers to early react on changes in projected order pattern

Additionally, cash preserving measures are being taken

Investments are being postponed

Butyl Investment in Singapore	▪ Groundbreaking delayed to fall 2009 ▪ Planned start-up postponed from 2011 to 2012 ▪ Relief of capex-burden in 2009
Other capex projects	▪ All capex projects being re-evaluated ▪ Where technically possible, investments will be stopped / delayed
Moving of headquarter	▪ Planned move of headquarter from Leverkusen to Cologne

Financial flexibility for a tough year 2009 is ensured

LANXESS is well prepared to actively manage challenges

Current and historic measures demonstrate sense of urgency and capability to act

- Extensive restructuring measures implemented in 2005-2009
- Most current measures ensure
  - further improvement of cost base
  - active capacity management
  - financial flexibility and strength

LANXESS expects demand to be very weak in Q1 2009 and is preparing for a difficult year on the whole

LANXESS

Energizing Chemistry

Appendix

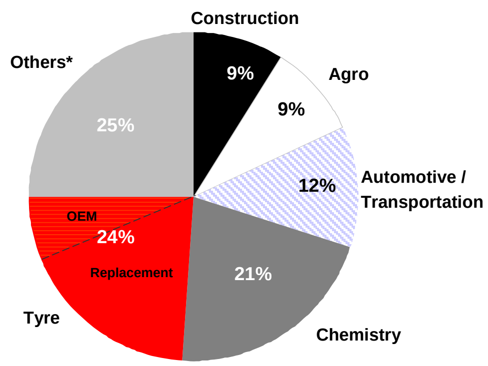
LANXESS´ largest businesses operating on a global scale

BTR	PBR	SCP	BAC
Largest player after ExxonMobil in oligopolistic market	Number one on the merchant market	World scale backward integration into Caprolactam	Leading market positions in all business lines

LANXESS setting the scene where it operates

Well diversified portfolio serving different client industries

Client industry split LANXESS 2007



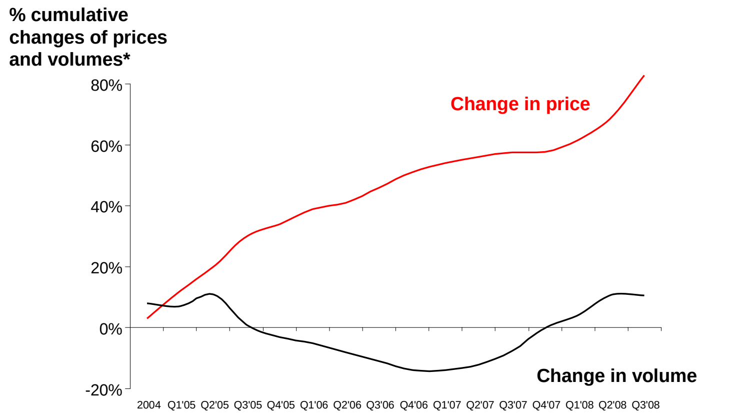
Diverse client industry portfolio

- Number of customers varies widely by segment
- Top 10 customers account for less than 25% of sales
- Performance chemicals with most diverse customer base

Diversity as natural hedge

* Others contain: electro/electronics, leather, coating, textile, furniture, printing, sport & leisure footwear, packaging, water treatment, medical goods

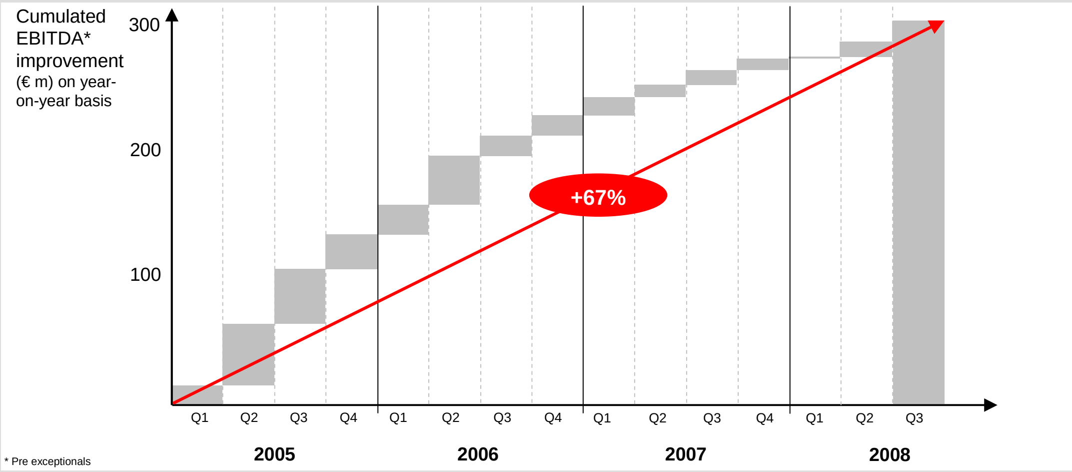
LANXESS' approach delivers success in both price and volume



1. Consistent and timely price increases to pass on rising input costs
2. Internal cost reduction and efficiency improvements were retained
3. Initial reduction of volume to support aggressive pricing strategy

* Cumulative price and volume changes vs. 2003; portfolio adjusted

Proof of our strong portfolio with fifteen quarters of EBITDA improvement in a row

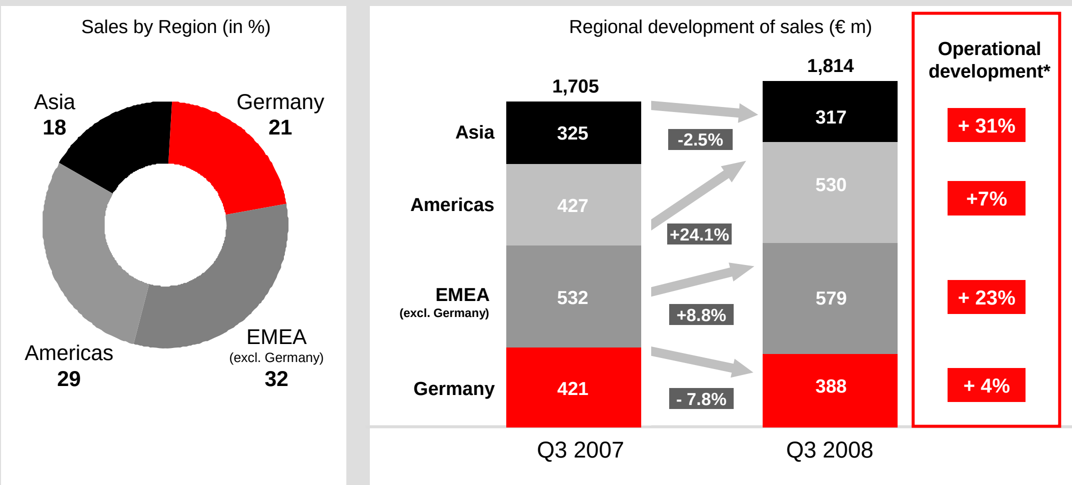


* Pre exceptionals

We are well prepared to deliver amid macroeconomic concerns

January 2009 Cheuvreux German Corporate Conference 2009 Chart-No. 32

LANXESS again achieves operational growth in all regions

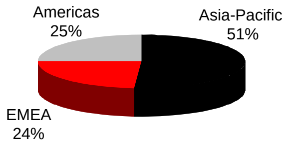


* Portfolio- and currency adjusted

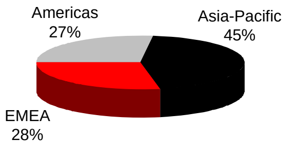
January 2009 Cheuvreux German Corporate Conference 2009 Chart-No. 33

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

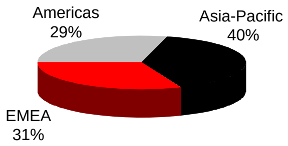
BTR



PBR



TRP



End Uses

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

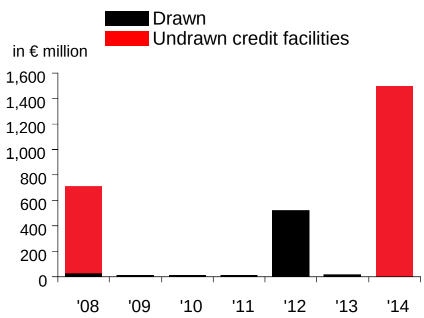
PBR:
- 69% automotive/ tyres
- 25% plastics
- 6% other applications such as golf balls

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

Source: IRSG, LMC, SRI, LANXESS estimates

Financing secured with very attractive conditions and long maturities

Maturity profile* of financing arrangements



Net financial debt: EUR 841 million as per September 30, 2008

Revolving credit facility

- Early refinanced in 2007, to extend and diversify maturity profile
- Amount increased by EUR 250 million to EUR 1.5 billion**
- Maturity is November 2014
- Despite credit market turbulences, new tenor of 7 years, which reflects strong commitment of bank consortium

Another proof of LANXESS' strong financial backbone

* Major instruments ** including €92 m commitment of Lehman Bankhaus AG, which is under moratorium

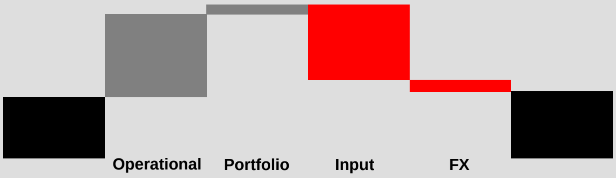
Strong results driven by price increases offset negative input costs and currency effects

Sales variances (€ m)	Price	Volume	Currency	Portfolio
Performance Polymers	+24%	-5%	-6%	+27%
Advanced Intermediates	+7%	+11%	-2%	0%
Performance Chemicals	+11%	-1%	-5%	0%
Others / Recon./ LUP	0%	-1%	0%	-94%
LANXESS	+14%	0%	-4%	-3%

Sales

- Price increases in all segments
- Operational growth of 14% achieved
- Petroflex almost offset 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* increased by €16 m operational performance in conjunction with improved portfolio

Q3 2008 financial overview: EBITDA increase based on full input cost pass through and improved business portfolio

(€ m)	Q3 2007	Q3 2008	Δ in %
Sales	1,705	1,814	6.4%
EBITDA pre except.	175	191	9.1%
margin	10.3%	10.5%	
Net Income	75	56	-25.3%
Capex	59	75	27.1%

(€ m)	30.06.2008	30.09.2008	Δ in %
Net Financial Debt	887	841	-5.2%
Net Working Capital	1,511	1,579	4.5%
Employees	15,072	14,983	-0.6%

- Sales rose as price increases offset negative currency effects. Consolidation of Petroflex mitigates absence of LUP
- EBITDA pre exceptionals rose by around 9% mainly due to strong pricing in all segments and Petroflex' contribution
- Net income contains sale of affiliate ARG in '07, higher interest and lower equity result (Currenta)
- Healthy cash flow generation reduced net debt
- Headcount further reduced since consolidation of Petroflex

On track despite increasing macroeconomic headwind

Strong P&L reflecting well managed businesses in a tougher environment

(€ m)	Q3 2007	Q3 2008	∆ in %
Sales	**1,705**	**1,814**	**6.4%**
Cost of sales	-1,335	-1,410	5.6%
SG&A	-241	-249	3.3%
R&D	-24	-25	4.2%
Other op. income / expense	-1	-23	>100%
thereof exceptionals	-8	-12	50.0%
EBIT	**104**	**107**	**2.9%**
Net Income	**75**	**56**	**-25.3%**
EPS	**0.89**	**0.67**	**-24.7%**
EBITDA	174	182	4.6%
thereof exceptionals	-1	-9	>100%
EBITDA pre exceptionals	**175**	**191**	**9.1%**

- Necessary price increases (+14%) more than offset unfavourable currency effects (-4%) and portfolio changes (-3%)
- Deviations in functional expense lines mirror mainly consolidation of Petroflex and risen input costs
- Net income contains sale of affiliate ARG in '07, higher interest and lower equity result (Currenta)
- EBITDA*: major price increases and contribution of Petroflex overcompensate raw material and currency effects

* Pre exceptionals

Tough quarter was managed successfully

Acquisition of Petroflex - a compelling strategic rationale

Overview of acquisition target
- Petroflex is a major player in synthetic rubber in Latin America
- 2006 sales of ~€500 million with 1,300 employees (incl. contractors)
- Solution (PBR, SSBR) and emulsion (NBR, ESBR) rubber
- Three manufacturing sites in Brazil with total capacity of ~400 kt

Strategic rationale
- Strengthens LANXESS' position in the synthetic rubber market globally
- Reflects the strongly growing Latin American market for synthetic rubber
- Potential for synergies after integration

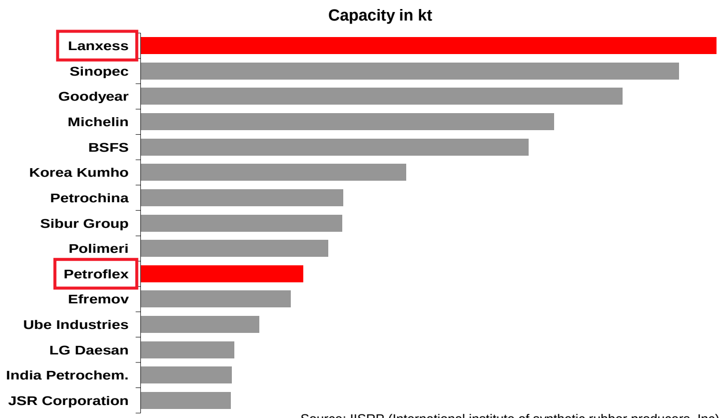
Shareholder value creation
- EPS accretive in first year
- Investment in profitable growth markets, where the products are expected to grow above GDP

LANXESS and Petroflex team up for a real global BR / SSBR supplier

LANXESS solution rubber

- With its production sites in Germany (Dormagen), France (Port Jerome) and the US (Orange) PBR serves all the technology oriented markets in Europe und North America
- LATAM is benefiting from relocation of high performance tire production from North America

Top 15 BR / SSBR producers 2007



Source: IISRP (International institute of synthetic rubber producers, Inc)

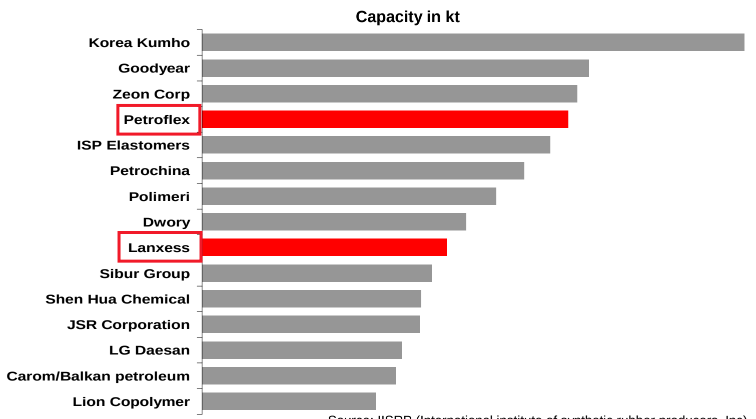
January 2009 Cheuvreux German Corporate Conference 2009 Chart-No. 40

LANXESS will benefit from Petroflex' additional emulsion rubber assets

LANXESS emulsion rubber

- The NBR production in France (La Wantzenau) has the highest capacity globally and serves the markets in Europe and Asia
- The production in Sarnia (Canada) and Triunfo (Brazil) are now being concentrated in La Wantzenau
- As a general rule emulsion rubbers can be produced in the same lines
- Many of the market players combine NBR and ESBR in their portfolio

Top 15 NBR / ESBR producers 2007



Source: IISRP (International institute of synthetic rubber producers, Inc)

January 2009 Cheuvreux German Corporate Conference 2009 Chart-No. 41

Is LANXESS a swing producer?

Tyre manufacturers produce insufficient synthetic rubber for their captive use

Rubber producing capabilities of selected tyre manufacturers:

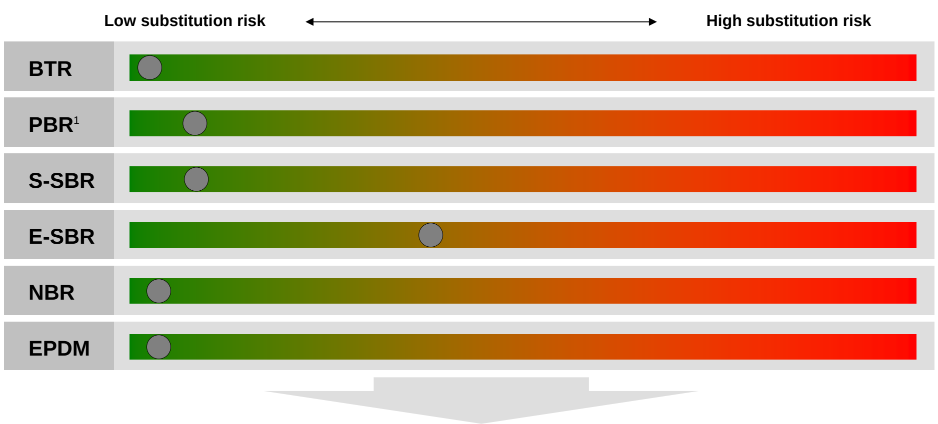
Importance in LANXESS portfollio		Michelin	Goodyear	Bridgestone	Continental	Pirelli	Hankook
major	**BTR**	none	none	none	none	none	none
major	**PBR**[1]	little[2]	none	capable	none	none	none
minor	**S-SBR**	capable	capable	capable	none	none	none
major	**E-SBR**	little	capable	capable	none	none	none
major	**NBR**	none	none	none	none	none	none

[1] Nd-PBR [2] Know how present, licensing to others

LANXESS is not a swing producer

Does natural rubber cannibalize synthetic rubber?

Risk of substitution



[1] Nd-PBR

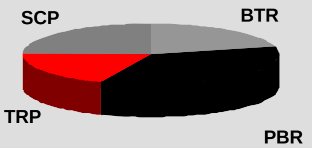
Overall, very limited substitution possibility

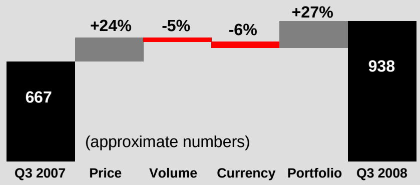
Performance Polymers: a powerful business

(€ m)	Q3 2007	Q3 2008
Sales	**667**	**938**
EBIT	69	83
Depr. / Amort.	26	42
EBITDA	95	125
EBITDA pre except.	**95**	**127**
Margin	14.2%	13.5%
Capex	**24**	**37**

- Sales increase on the back of healthy pricing in all BUs and portfolio effects, offsetting negative volume effects (i.e. hurricane Ike and production constraints in PBR due to butadiene shortage) and unfavourable currencies
- PBR benefits from strong Asian business. US/European volume limited by raw material availability
- TRP with nice pricing overcompensating currency effects and volume softening due to flooding in Orange, TX
- SCP benefits from long term contracts in Caprolactam
- Capex increase on BTR maintenance and shift of NBR from Sarnia to La Wantzenau

Sales by BU:



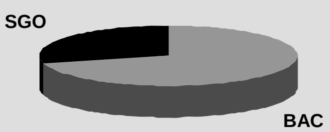


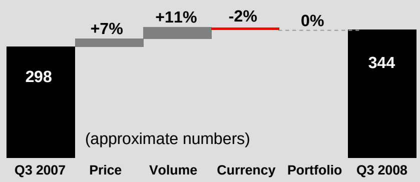
Advanced Intermediates: solid price and volume increases compensate currency and raw material effects

(€ m)	Q3 2007	Q3 2008
Sales	**298**	**344**
EBIT	32	28
Depr. / Amort.	9	12
EBITDA	41	40
EBITDA pre except.	**41**	**40**
Margin	13.8%	11.6%
Capex	**10**	**18**

- Strong volumes and good pricing in both BUs overcompensate adverse currency effects
- Healthy demand in crop protection and good volumes from Asia as well as price-pass-through clauses in some contracts help to mitigate 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 volume, raw material price increases are compensated and absolute EBITDA* protected while margins get diluted

Sales by BU:





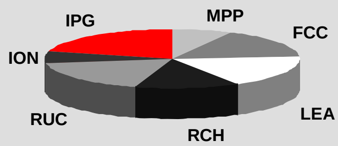
* Pre exceptionals

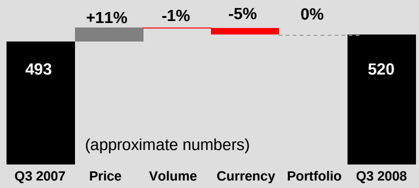
Performance Chemicals: sound operational performance offsets raw material and currency effects

(€ m)	Q3 2007	Q3 2008
Sales	**493**	**520**
EBIT	41	45
Depr. / Amort.	22	18
EBITDA	63	63
EBITDA pre except.	**67**	**65**
Margin	13.6%	12.5%
Capex	**22**	**18**

- Sales increase on the back of healthy pricing, thus offsetting currency effects
- Good pricing, especially in LEA (chrome ore) and RUC
- EBITDA* almost reached previous year's level despite slightly lower returns in IPG (exposure to construction industry) and MPP (wood protection)
- IPG price increases offset raw material price hikes. Strong volumes from construction in BRIC region mitigate market weakness in US and parts of Europe
- Raw Material price increases and the weak USD weigh on segment margin

Sales by BU:





* Pre exceptionals

LANXESS confirms targets in a more demanding economic environment

EBITDA* targeted between €710 m and €730 m	**2008**
EBITDA* margin: Peer group profitability	**2008**
No business < 5% EBITDA* margin	**2008**
Investment grade rating	✓

* EBITDA figures pre exceptionals

Exceptional items incurred in Q3 2007 and Q3 2008

(€ m)	Q3 2007		Q3 2008	
	Exceptional	thereof D&A	Exceptional	thereof D&A
Performance Polymers	0	0	5	3
Advanced Intermediates	0	0	0	0
Performance Chemicals	4	0	2	0
Reconciliation	4	7	5	0
Total	**8**	**7**	**12**	**3**

Exceptional items incurred in 9M 2007 and 9M 2008

(€ m)	9M 2007		9M 2008	
	Exceptional	thereof D&A	Exceptional	thereof D&A
Performance Polymers	0	0	59	6
Advanced Intermediates	0	0	0	0
Performance Chemicals	4	0	7	1
Reconciliation	207	52	3	-1
Total	**211**	**52**	**69**	**6**

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

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