



DSM



LANXESS acquires DSM Elastomers – Strengthening our EPDM business

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Acquisition of DSM Elastomers fits perfectly to our strategy

- **Strengthen portfolio**
Small to mid-sized businesses to strengthen our portfolio
- **Complement portfolio**
Attractive mid-sized businesses to broaden our portfolio
- **Essential criteria**
 - Cultural fit
 - Application of our competencies
 - Accretion to financial metrics

Targeted acquisition



Business Unit Technical Rubber Products – a leading supplier of specialty elastomers for the rubber industry

TRP Facts

- Business Unit Technical Rubber Products belongs to the Performance Polymers segment
- Production sites in: Germany, France, U.S.
- Annual sales: > €500 m
- Customers: > 600
- 5 product groups with strong global brands in a global market:

- EPDM: **X_Buna® EP**

- NBR: **X_Krynac®**

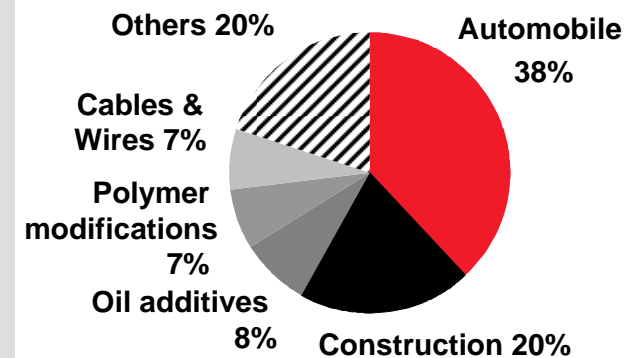
X_Perbunan®

- CR: **X_Baypren®**

- HNBR: **X_Therban®**

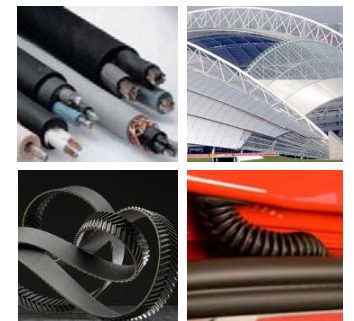
- EVM: **X_Levapren®**

EPDM end uses



EPDM applications

- Hoses
- Seals
- Belts
- Polymer modifications



Source: Global Insights, JD Powers, SRI EPDM 2009

DSM Elastomers – global player with a leading technology and strong brand

DSM Elastomers at a glance

Product portfolio

- Ethylen-Propylen-Dien-Monomer, part of DSM's Base Chemicals and Materials segment
- Globally number three in EPDM
- Distributed under the brand name Keltan®

Technology

- New catalyst (ACE*) technology
- Allows modified EPDM for high value applications

Figures

- 2010e sales: ~€380 m
- Employees: ~420

Production sites



DSM EPDM production in Geleen, NL

- EPDM capacity: ~160 kt/a
- Largest and most modern EPDM plant
- R&D facilities located at site
- ACE technology was introduced end of 2008



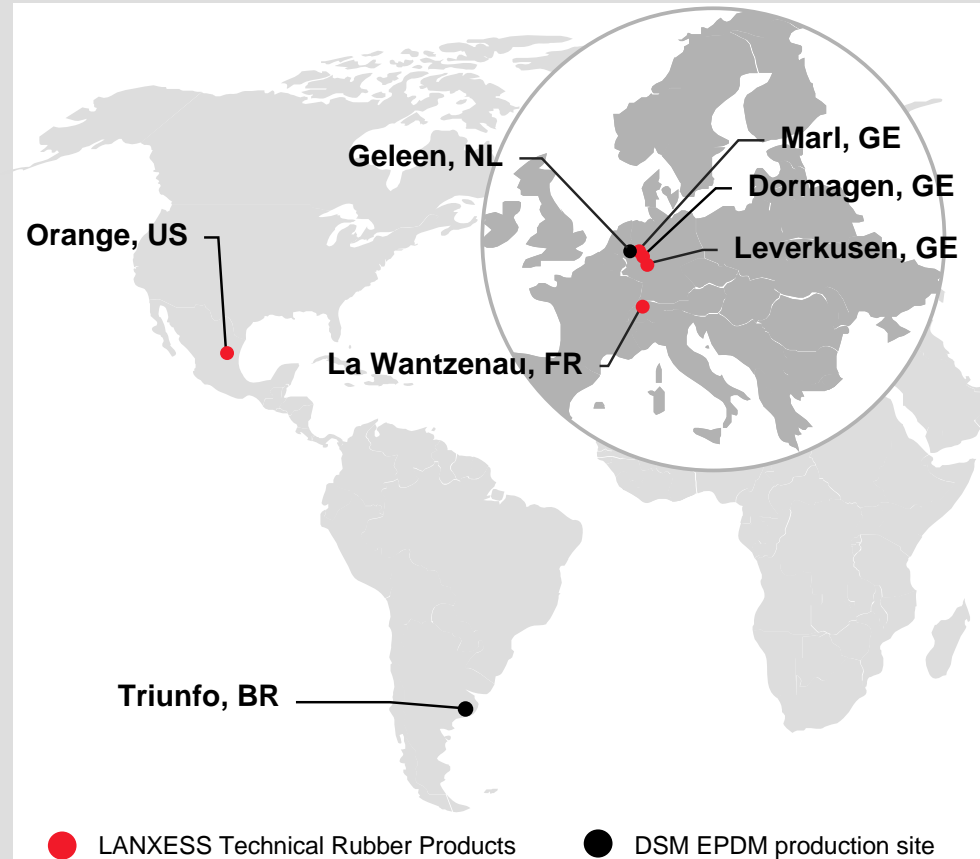
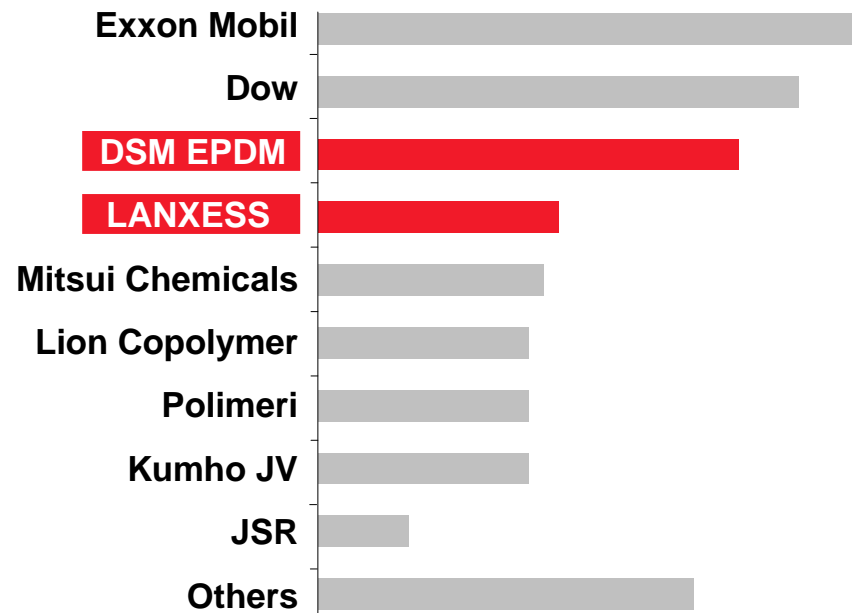
DSM EPDM production in Triunfo, BR

- EPDM capacity: ~40 kt/a
- Technology upgrade in 2008
- Located next to LANXESS Elastômeros do Brasil assets

* Advanced Catalysis EPDM technology

Further strengthening position in BRIC market

EPDM - estimated production volume* [kt]



Sources: LANXESS estimates based on CMAI and SRI, 2009, * Including captive use, 2009 numbers

LANXESS acquires DSM Elastomers – strong financials and fast integration

Financial highlights

- Purchase price: €310 m (EV); ~6x EBITDA pre*
 - Cash and debt free
 - Financing out of existing liquidity
-
- 2010e sales: ~€380 m
 - EPS accretive as of 2011
-
- Closing expected in the first months of 2011, subject to approval by anti-trust authorities



*on the basis of 2010 expected EBITDA; all figures pre purchase price allocation

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LANXESS

A thick red horizontal bar is positioned below the word "LANXESS", starting under the 'L' and extending to the right edge of the 'N'.