



LANXESS – Energizing Chemistry

Business profile

Investor Relations

LANXESS – A leading specialty chemicals company based on three powerful segments

Group level

Performance Polymers

Advanced Intermediates

Performance Chemicals

LANXESS – Energizing Chemistry

Sales* €6.6 bn; EBITDA** €19 mn; ~14.600 employees (2007)

Performance Polymers



Globally either player number one, two or three

Global technology leaders in synthetic rubber and polyamide production, offering a broad and innovative portfolio of products that hold leading positions on the international market.

Advanced Intermediates



In Europe either number one or number two

LANXESS's Advanced Intermediates is among the world's leading suppliers of custom synthesis and manufacturing services and basic chemicals.

Performance Chemicals



Number one to number four in niche positions

Performance Chemicals combines all the group's application-orientated activities in the field of specialty chemicals. With strong brands LANXESS ranks among the world's leading producers.

Competitiveness across the portfolio

* Group sales FY07 incl. BU LUP (divested in 09/2007); ** Pre exceptionals

LANXESS was built as a new company – based on polymers and chemicals

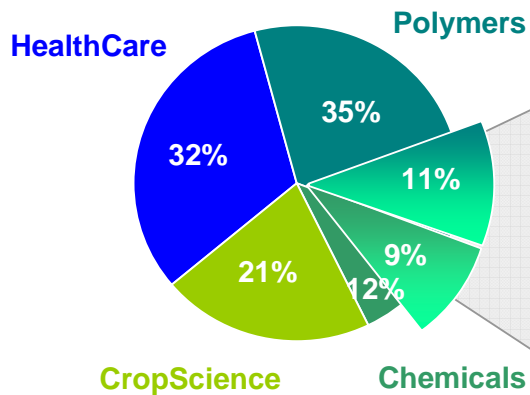
Group level

Performance Polymers

Advanced Intermediates

Performance Chemicals

Bayer 2004



Spin-off January 2005: Creation of a new company

LANXESS

Performance Polymers



- Butyl Rubber
- Performance Butadiene Rubbers
- Technical Rubber Products
- Semi-Crystalline Products

Performance Chemicals



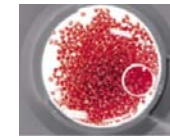
- Material Protection Products
- Inorganic Pigments
- Functional Chemicals
- Leather
- Rhein Chemie
- Rubber Chemicals
- Ion Exchange Resins
- Paper*
- Textile Processing Chemicals*

Advanced Intermediates



- Basic Chemicals
- Saltigo

Engineering Plastics

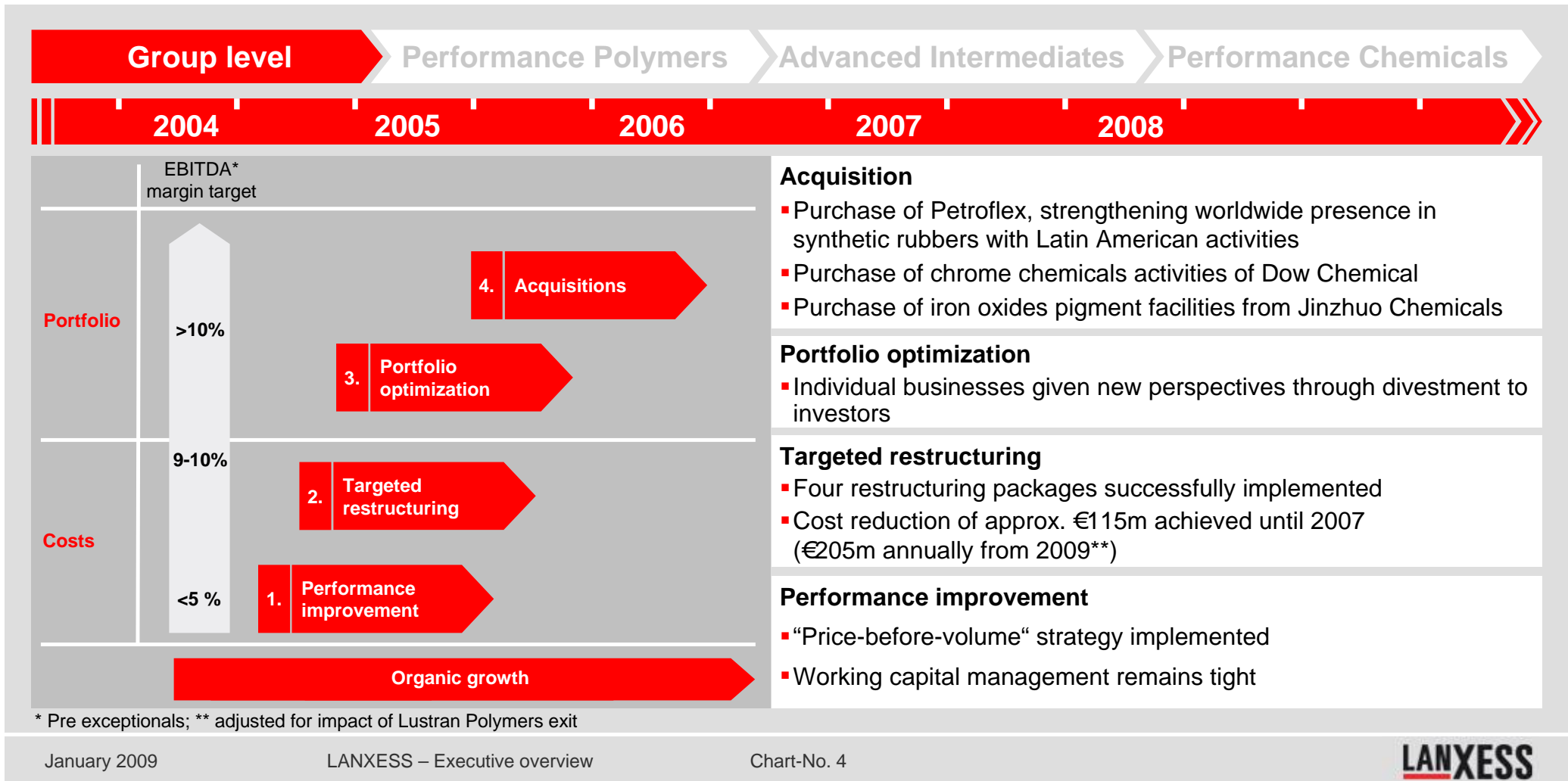


- Dorlastan Fibers*
- Lustran Polymers*

Independence. Restructuring. Portfolio Management.

* Divested

LANXESS delivers consistently year over year on it's four-phase strategy



LANXESS has been improving its financials since day one

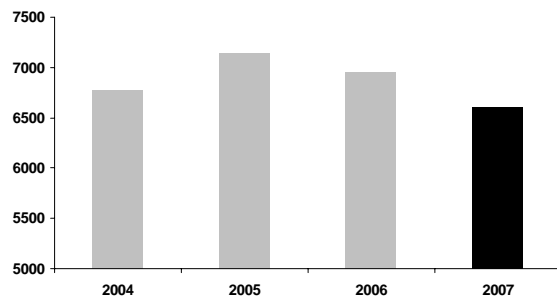
Group level

Performance Polymers

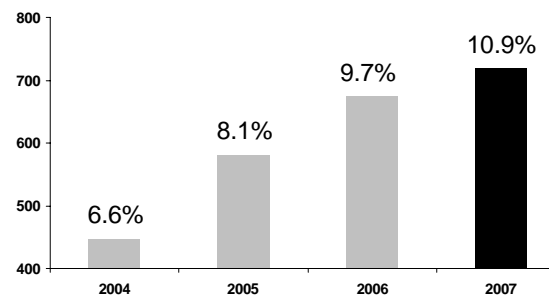
Advanced Intermediates

Performance Chemicals

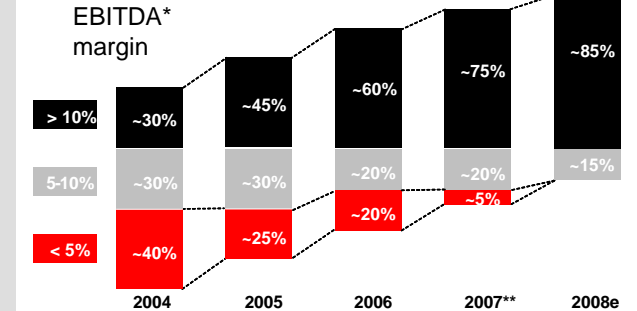
Sales 2004 - 2007



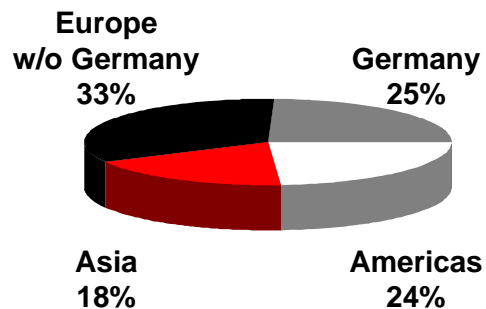
EBITDA* 2004 - 2007



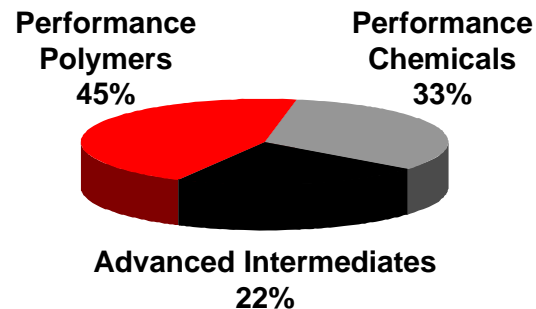
Profitability distribution



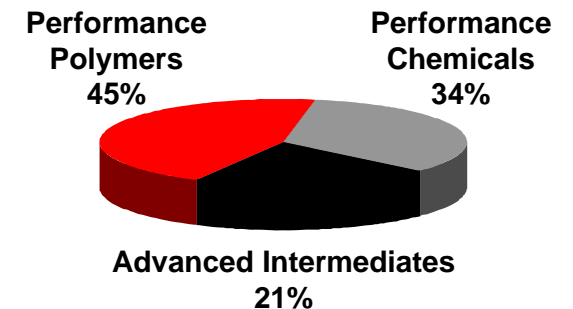
Sales by Region 2007



Sales by Segment** 2007



EBITDA* by Segment** 2007



* Pre exceptionals; ** based on contribution of operating segments w/o BU LUP

LANXESS – Improvement trend of financials, based on strategy implementation

Group level

Performance Polymers

Advanced Intermediates

Performance Chemicals





In € m	2004	2005	2006	2007
Net financial debt	1,135	680	511	460
Net fin. debt / EBITDA*	2.5x	1.2x	0.8x	0.6x
Gearing	101%	54%	36%	30%
CAPEX / Depreciation	0.85	0.8	1.02	0.95
Underlying EPS**	0.65	1.19	2.69	3.36
EV / EBITDA* Multiple	not listed	~ 5x	~ 6x	~ 4,5x
EBITDA* / Interest result	9.7	14.2	29.4	36.0
ROCE	5.4%	12.9%	15.9%	17.7%
Rating	no rating	S&P: BBB- Moody's: Baa3	S&P: BBB- Moody's: Baa3	S&P: BBB Moody's: Baa2

Strength

Financial metrics continuously improved

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

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

Group level	Performance Polymers	Advanced Intermediates	Performance Chemicals
Performance Polymers EBITDA ¹ margin FY'07: 14.0%		Position LANXESS World-wide top market positions	
BUTYL RUBBER X Bromobutyl Integral part of tubeless tyres 		Growth and Stability participation in major growth trends International mobilization	
PERFORMANCE BUTADIENE RUBBERS X Buna^{CB} Tyre body and tread 		Products and end-uses <ul style="list-style-type: none"> Provides butyl rubber, which is a specialty rubber impermeable to air Has wide applications both in tyre and other industries such as protective clothing 	
TECHNICAL RUBBER PRODUCTS X Therban Specialty applications 		A leading position Competition ² : Sinopec, Michelin, Goodyear	
SEMI-CRYSTALLINE-PRODUCTS X Durethan Thermoplastics for modern applications, e.g. in cars 		High performance tyres <ul style="list-style-type: none"> One of the world's leading manufacturers of specialty rubbers polybutadiene- and solutionstyrene-polybutadiene-rubber Used principally in tyre compounds 	
Strong Competition ² : DSM		New applications <ul style="list-style-type: none"> Provides a broad range of specialty elastomers for the rubber processing industry Used in automotive, engineering, construction, electronics, oil exploration & aviation industries 	
Strong Competition ² : BASF, DSM, DuPont		High-tech plastics replacing metal <ul style="list-style-type: none"> Provides a range of PA and PBT resins and compounds Blends principally to the automotive and electrical industries 	

¹ Pre exceptionals ² Selected competitors

Performance Polymers - Globally either player number one, two or three

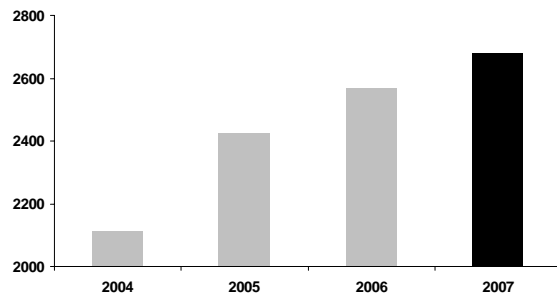
Group level

Performance Polymers

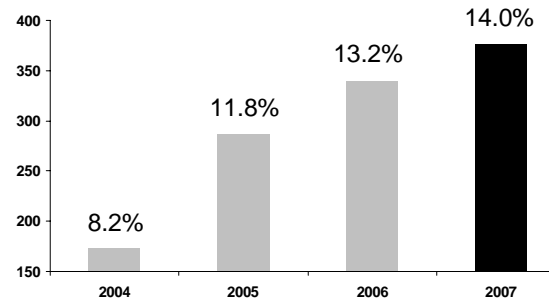
Advanced Intermediates

Performance Chemicals

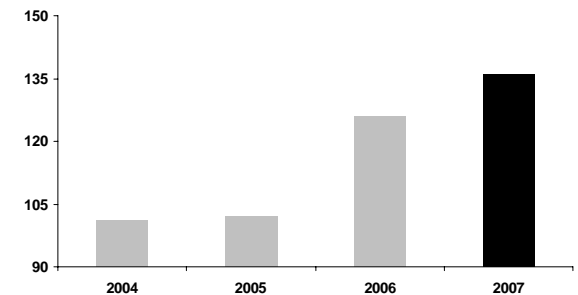
Sales 2004 - 2007



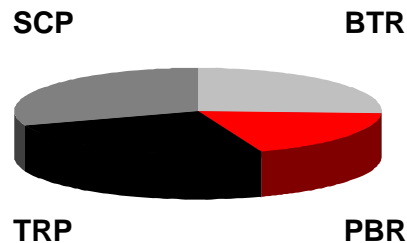
EBITDA* 2004 - 2007



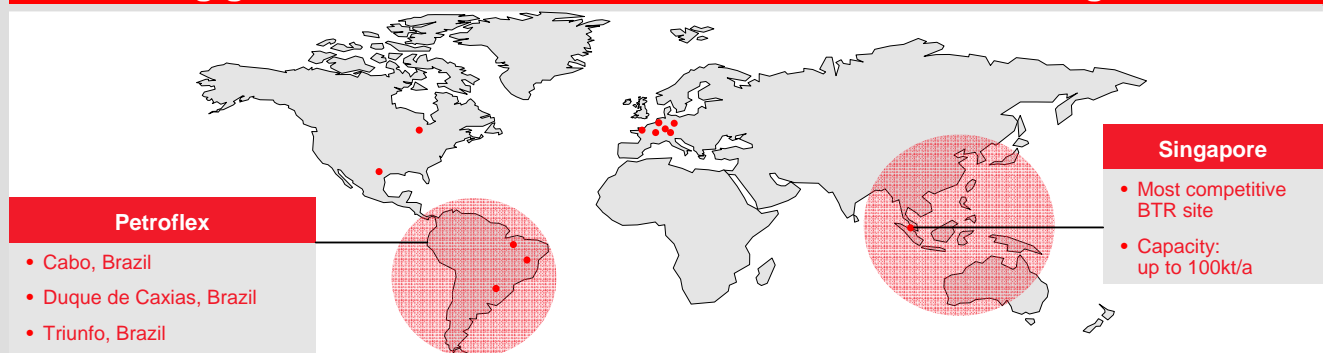
Capex 2004 - 2007



Sales by BU 2007






Serving global markets with world-wide rubber manufacturing network



* Pre exceptionals

Advanced Intermediates – Basic Chemicals and Saltigo, strong and reliable partners for the segment

Group level	Performance Polymers	Advanced Intermediates	Performance Chemicals
Advanced Intermediates EBITDA ¹ margin FY'07: 14.5%		Position LANXESS World-wide top market positions	Growth and Stability
BASIC CHEMICALS 2-Methyl-6-Ethyl-Aniline Intermediate for agrochemicals 		Leading positions in all business lines Competition ² : BASF, Perstorp	Products and end-uses <ul style="list-style-type: none"> Supplier of aromatic compounds such as e.g. chlorobenzenes, chlorotoluenes and nitrotoluenes Supplier of amines, polyols, monoisocyanates, thio products, inorganic acids
SALTIGO  The user-friendly, effective repellent 		Among the top global players in custom manufacturing Competition ² : DSM, Lonza	<ul style="list-style-type: none"> Important player in fine chemicals focused on: <ul style="list-style-type: none"> Agrochemicals custom manufacturing Pharmaceutical custom manufacturing Specialty Fine Chemicals

¹ Pre exceptionals ² Selected competitors

Advanced Intermediates - In Europe either number one or number two

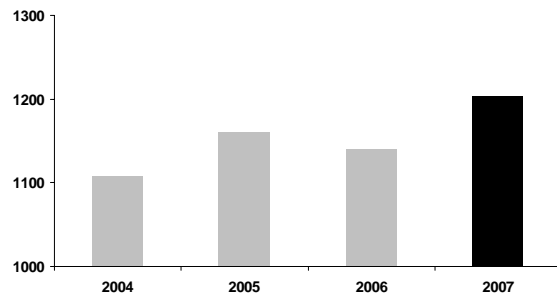
Group level

Performance Polymers

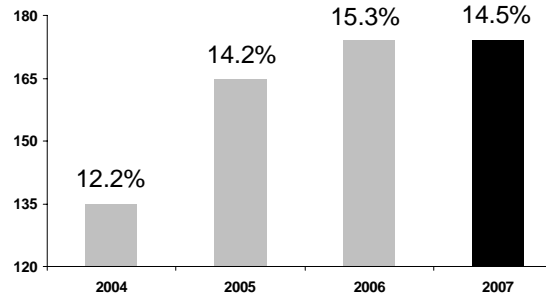
Advanced Intermediates

Performance Chemicals

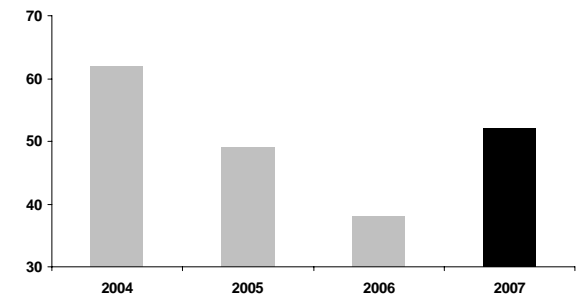
Sales 2004 - 2007



EBITDA* 2004 - 2007



Capex 2004 - 2007



Sales by BU 2007

SGO









BAC

Intermediate products and custom manufactured fine chemicals

- Advanced Intermediates relies on a manufacturing base with main focus in Europe
- Unique, integrated manufacturing process (“Aromatenverbund”) provides clear competitive advantage
- Intermediates and active ingredients serving the pharma & agrochemical markets
 - End-uses BAC: 25% agrochemicals
 - End-uses SGO: 50% agrochemicals & 25% pharma





* Pre exceptionals

Performance Chemicals – Producing service- and application-driven products for a wide range of industries

Group level	Performance Polymers	Advanced Intermediates	Performance Chemicals
Performance Chemicals EBITDA ¹ margin FY'07: 14.5%	Position LANXESS World-wide top market positions	Growth and Stability Partly strong growth in specialty niches	Products and end-uses
MATERIAL PROTECTION PRODUCTS  Preservatives / Biocides 	Leading positions in attractive market segments Competition ² : Dow, Lonza	Trend towards increasing regulatory requirements Growth above GDP	<ul style="list-style-type: none"> Comprehensive range of biocidal active ingredients and specialties for: Wood preservatives / antifouling products, Beverage sterilization, Disinfectants / personal care products
INORGANIC PIGMENTS  Pigments for construction materials 	A leading global supplier Competition ² : Rockwood	Growth mainly in Asia and Eastern Europe Economies of scale	<ul style="list-style-type: none"> A leading global supplier of inorganic pigments with a broad, innovative product range
FUNCTIONAL CHEMICALS MESAMOLL® Specialty plasticizers for processing polymers 	Supplier to a broad range of markets with complex product portfolio Competition ² : BASF, Ciba, Clariant	Trend towards ecological products (plasticizers, flame retardants)	<ul style="list-style-type: none"> Manufactures products such as: Plastic additives, Flame retardants, Water chemicals, Specialty dyes & Colorants
LEATHER AQUADERM™ Finishing of Leather 	A leading global supplier Competition ² : BASF, Clariant, Stahl, TFL	Sustainable but moderate market growth. Ongoing market consolidation	<ul style="list-style-type: none"> Broad range of specialty products for the leather industry including: Tanning agents, Preservatives, Finishing auxiliaries, Dye products

¹ Pre exceptionals ² Selected competitors

Performance Chemicals – Producing service- and application-driven products for a wide range of industries

Group level		Performance Polymers	Advanced Intermediates	Performance Chemicals
Performance Chemicals EBITDA ¹ margin FY'07: 14.5%		Position LANXESS World-wide top market positions	Growth and Stability Partly strong growth in specialty niches	Products and end-uses
RHEINCHEMIE RHENOGRAN® Polymer-bound Rubber Additive		A leading position in additive formulations Competition ² : DOG, Lubrizol, Evonik	Benefits from global production set-up and strong regional marketing network	<ul style="list-style-type: none"> ▪ Providing technical services and additives for the rubber, polyurethane, plastics and lubricant oil industries; as well as colour pastes for the polyurethane industry
RUBBER CHEMICALS VULKAZIT® Accelerator		A leading market position in a challenging market environment Competition ² : Flexsys, Chemtura	International mobilization trends Ongoing market consolidation	<ul style="list-style-type: none"> ▪ A Full portfolio of rubber chemicals for the tyre and technical rubber industry including: Antioxidants, Accelerators and Specialties
ION EXCHANGE RESINS  Purification of drinking water		Leading producer of technologically advanced monodisperse ion exchange resins Competition ² : DOW, Mitsubishi, Purolite	Mega trend “clean water” ensures long-term growth for ION	<ul style="list-style-type: none"> ▪ Resins used for the processing of: <ul style="list-style-type: none"> ▪ Water ▪ Foodstuff ▪ Chemicals

¹ Pre exceptionals ² Selected competitors

Performance Chemicals - Number one to number four in niche positions

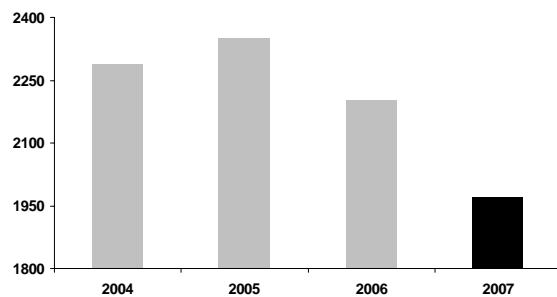
Group level

Performance Polymers

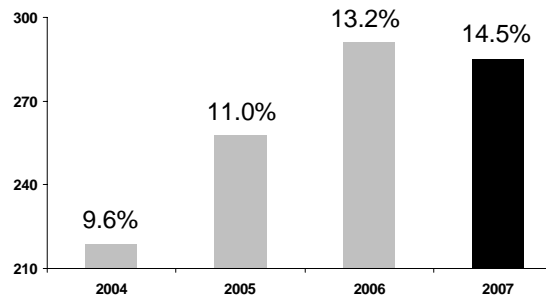
Advanced Intermediates

Performance Chemicals

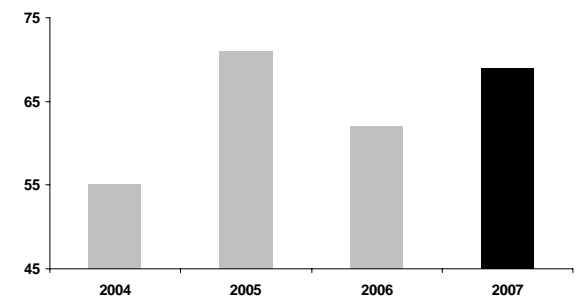
Sales 2004 - 2007



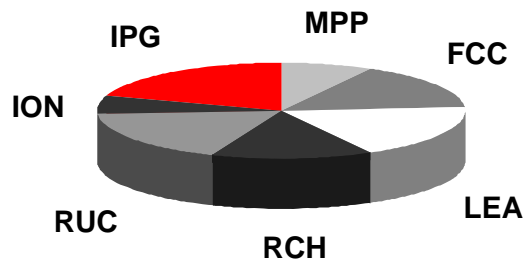
EBITDA* 2004 - 2007



Capex 2004 - 2007



Sales by BU 2007



Success through growth and diversification

Application-oriented

Profitable growth opportunities

Outstanding market capabilities

- Activities in the field of process and functional chemicals e.g. state-of-the art technology in chromium chemicals
- Attractive growth opportunities, e.g. water purification business
- Outstanding product quality, e.g. golden standard in high quality red pigments

* Pre exceptionals

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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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