LANXESS – Unicredit GIC

Earnings rebound, performance proven in downturn

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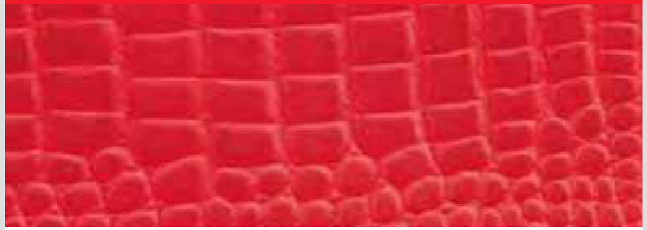
Agenda

- Strategy Update
- Business and financial review Q2 2009
- Outlook/Guidance

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

LANXESS – Energizing Chemistry

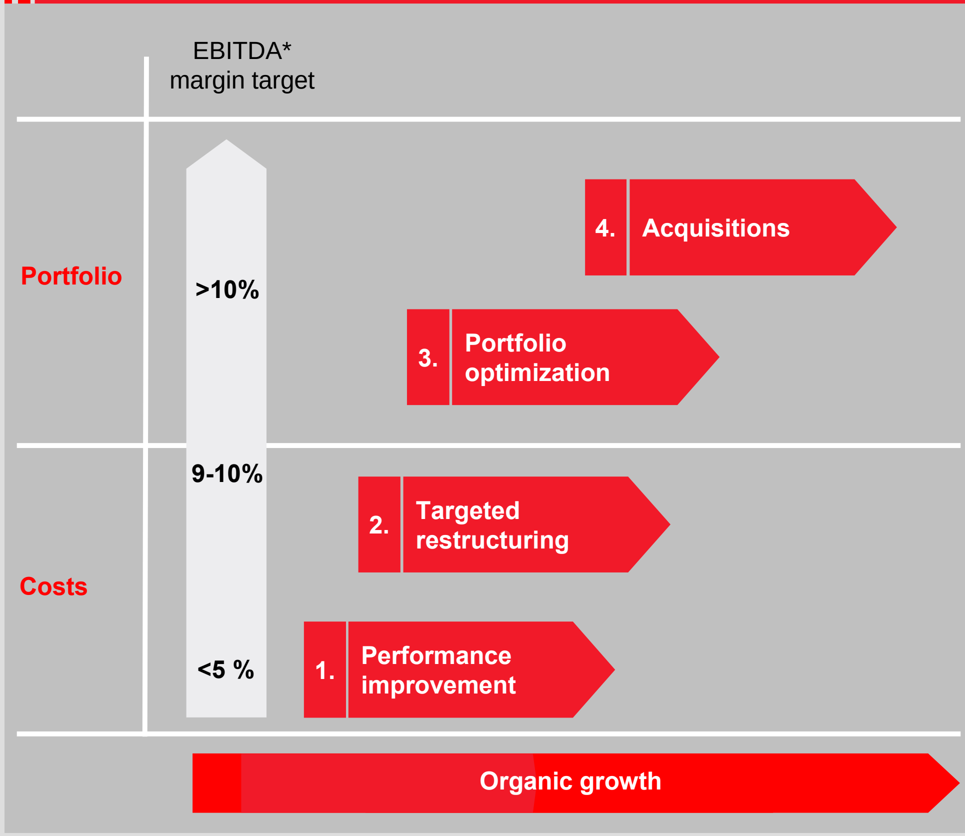
Sales €6.6 bn; EBITDA* €721 m; 14.797 employees (2008)

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

* Pre exceptionals

Consistent delivery as four-phase strategy is implemented



Acquisition

- Acquisition of Gwalior/India – a strategic fit in a growing market
- Acquisition of Jiangsu Polyols Chem. Co/China
- Purchase of Petroflex/Brazil, strengthening worldwide presence in synthetic rubbers with Latin American activities
- Purchase of chrome chemicals activities of Dow Chemical in South Africa
- Purchase of iron oxides pigment facilities from Jinzhuo Chemicals/China

Portfolio optimization

- Individual businesses given new perspectives by divestment to investors. Eight non-core businesses/affiliates divested with ~€1.5 bn annual turnover

Targeted restructuring

- Challenge09-12, €360 m savings until 2012
- Four restructuring packages successfully implemented
- Cost reduction of approx. €165 m achieved until 2008e (€205m annually from 2009**)

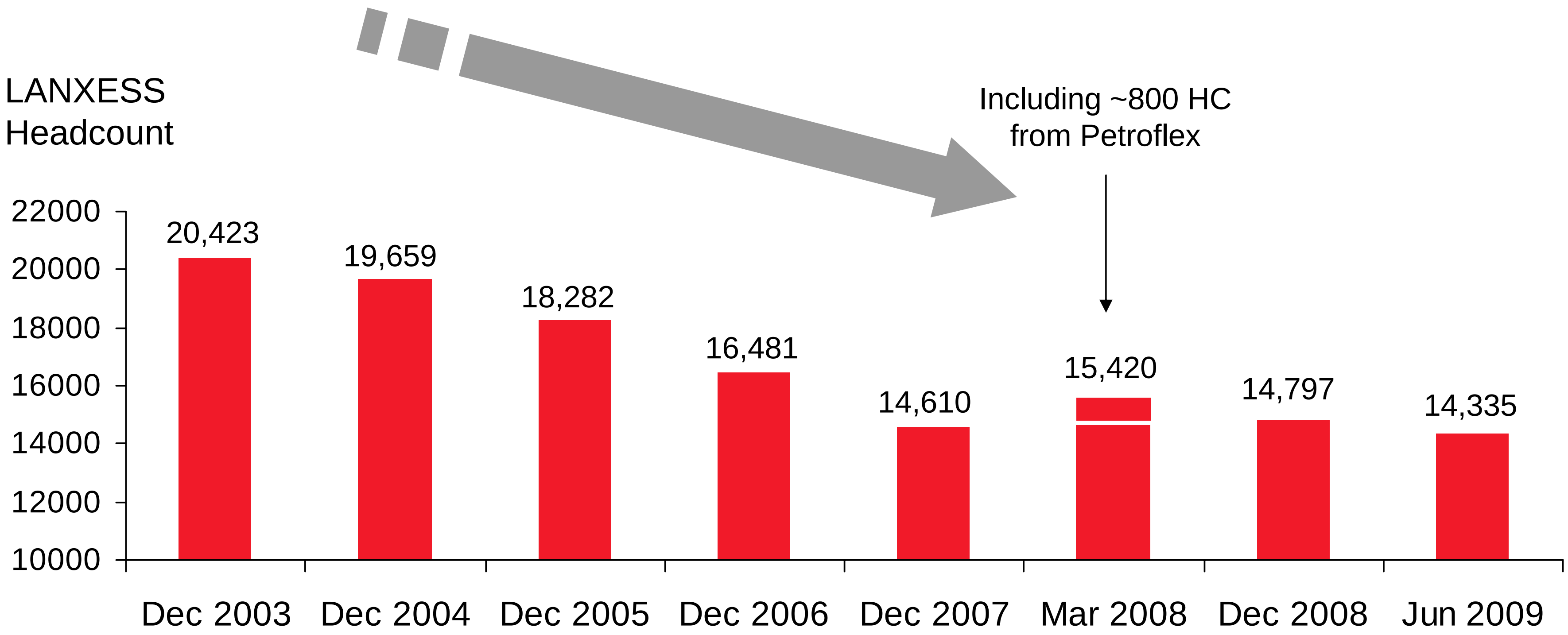
Performance improvement

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

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

Reduced headcount by ~280 employees vs. Q1 2009

Headcount development since 2003



Portfolio management has continuously strengthened the company - €1.5 bn of sales divested

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
Jinzhuo Chemicals (IPG)	Good	Moderate	High	Expansion of Asian exposure
Gwalior Chemicals (BAC)	Good	Low	High	Strengthening global position
Jiangsu Polyols (BAC)	Good	Low	High	Expansion of Asian exposure

LANXESS – Improvement trend of financials, based on strategy implementation

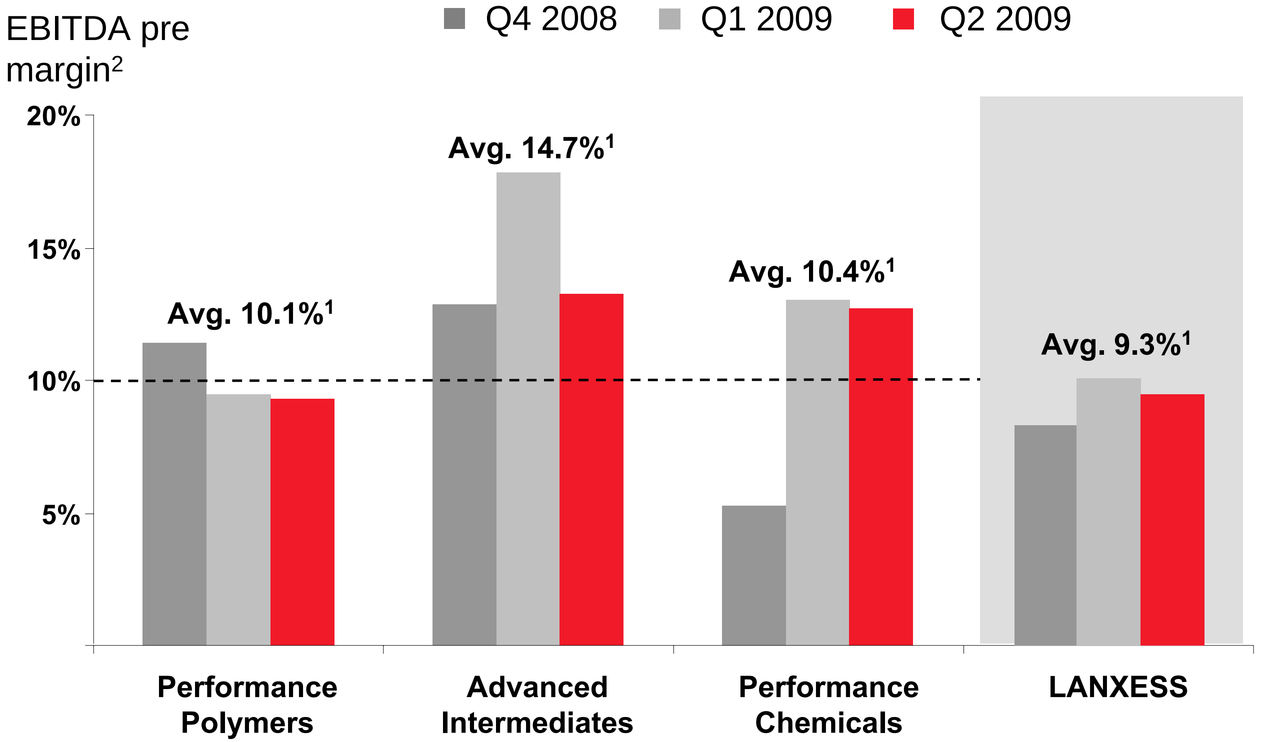
In € m	2004	2005	2006	2007	2008
EBITDA*	447	581	675	719	721
Net financial debt	1,135	680	511	460	864
Net fin. debt / EBITDA*	2.5x	1.2x	0.8x	0.6x	1.2x
Gearing	101%	54%	36%	30%	61%
Underlying EPS**	0.65	1.19	2.69	3.36	3.30
ROCE	5.4%	12.9%	15.9%	17.7%	15.0%

Financial metrics continuously improved

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

Resilience shown in recession scenario

Average operating segment margin[1] remains above 10 %



- Despite unprecedented downturn, operating margins demonstrate resilience
- Early implementation of cost saving measures lowered Break-Even
- Price-before-volume strategy supports margins

[1] Q4 2008 to Q2 2009, [2] excl. inventory devaluation

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Q2 2009 financial overview: Profitable in a recession

[€ m]	Q2 2008	Q1 2009	Q2 2009	yoy in %
Sales	1,765	1,054	1,238	-29.9%
EBITDA pre except.	223	66	112	-49.8%
margin	12.6%	6.3%	9.0%	
Net Income	55	-14	17	-69.1%
Capex*	66	52	57	-13.6%
[€ m]	**31.12.2008**	**31.03.2009**	**30.06.2009**	**% vs. FY**
Net Financial Debt	864	744	719	-16.8%
Net Working Capital	1,289	1,193	1,109	-14.0%
Employees	14,797	14,612	14,335	-3.1%

- Sales – led by Asian momentum – increased 17% versus Q1, but remain 30% below previous year
- Sequential EBITDA pre improved substantially, leading to solid 9% margin in trough scenario
- Net income positive despite low level of underlying demand
- Strong cash-flow results in further cut-back of net debt
- Additional headcount reduction of ~280 employees compared to Q1 2009

Financial metrics robust in current recessionary environment

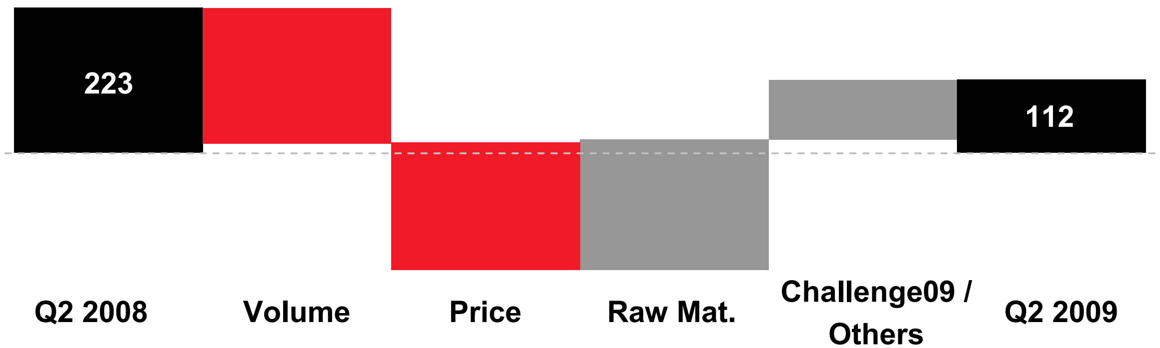
*Net of projects financed by customers and finance lease

Product prices in line with raw material price deflation

Q2 yoy sales variances	Price	Volume	Currency	Total
Performance Polymers	-19%	-24%	5%	-38%
Advanced Intermediates	-8%	-7%	3%	-11%
Performance Chemicals	0%	-30%	4%	-26%
LANXESS	-11%	-23%	4%	-30%

- Declining demand combined with prices in line with raw materials resulting in reduced sales of 30%
- Strong volume rebound versus Q1, however 23% decrease versus previous year
- Positive currency effect in Q2

EBITDA* performance bridge [€ m]



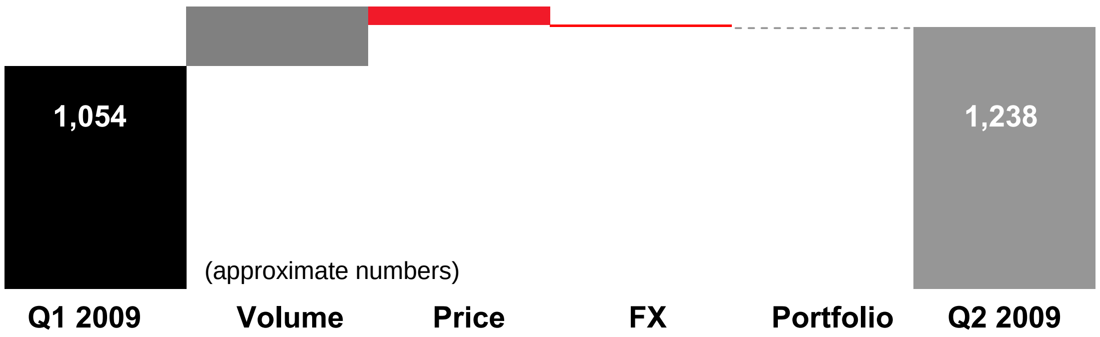
- Savings yielded by the Challenge09 package of measures mitigate EBITDA* effect of lower volumes
- Product prices in line with raw material price deflation of ~ €200 m

* Pre exceptionals

27% volume rebound quarter-on-quarter

Q2 qoq sales variances	Price	Volume	Currency	Total
Performance Polymers	-13%	39%	-2%	25%
Advanced Intermediates	-5%	15%	-1%	10%
Performance Chemicals	-4%	19%	-1%	14%
LANXESS	-8%	27%	-1%	17%

Sales performance bridge [€ m]



* Pre exceptionals

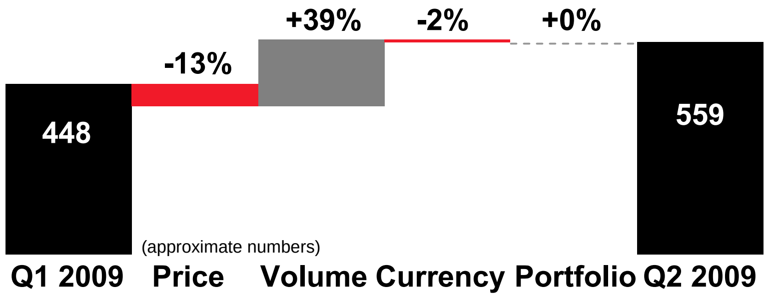
- Sales increased 17% versus Q1 due to a strong volume rebound especially in Performance Polymers
- Lower pricing with lag-effect, driven by raw material price decline
- Sequentially improved volumes show we have passed the trough

Performance Polymers: Improvement fueled by strong demand pick-up in Asia and absence of negative Q1 effects

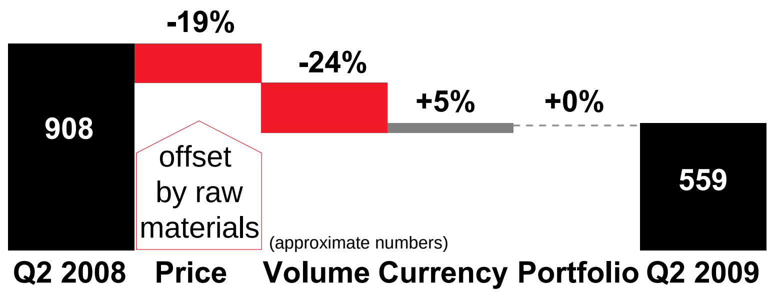
[€m]	Q2 2008	Q1 2009	Q2 2009
Sales	**908**	**448**	**559**
EBIT	46	-24	18
Depr. / Amort.	32	32	33
EBITDA	78	8	51
EBITDA pre exceptionals	**127**	**8**	**52**
Margin	14.0%	1.8%	9.3%
Capex*	**32**	**28**	**28**

- Sales remain depressed yoy but improved sequentially: All BUs with better momentum versus Q1
- Selling prices declined on the basis of raw material indexed sales contracts and stronger Asian exposure (mainly in PBR)
- Selling price decline in balance with lower input costs
- SCP stable in intermediates but compounds still sluggish
- EBITDA pre and margin significantly improved mainly as negative Q1 effects level off and cost cutting is effective

Sales performance bridge quarter on quarter [€m]



Sales performance bridge year on year [€m]



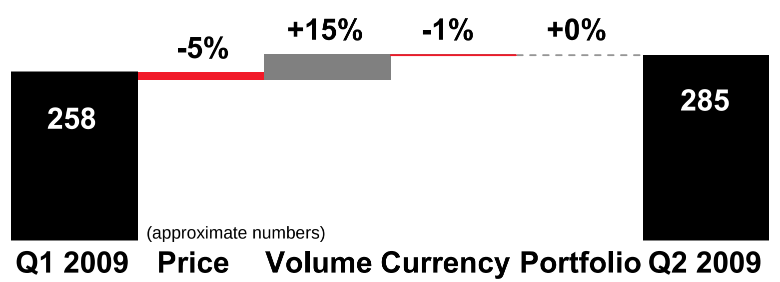
*Net of finance lease

Advanced Intermediates: Solid business, but Q2 affected by seasonality and ongoing weak auto and construction

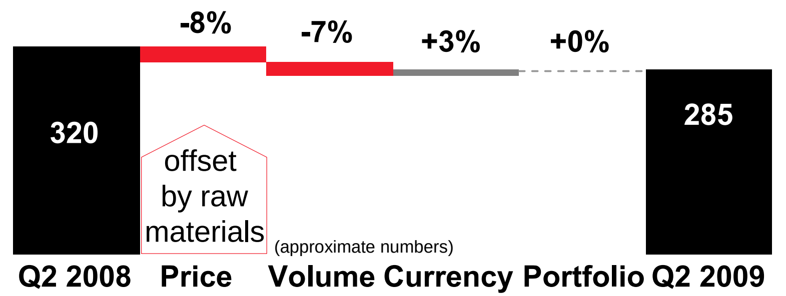
[€m]	Q2 2008	Q1 2009	Q2 2009
Sales	**320**	**258**	**285**
EBIT	39	35	27
Depr. / Amort.	10	11	11
EBITDA	49	46	38
EBITDA pre exceptionals	**49**	**46**	**38**
Margin	15.3%	17.8%	13.3%
Capex*	**15**	**9**	**8**

- Sales decline improved sequentially, however volumes remain lower than in 2008
- Declining raw material prices were supportive to the segment's performance even after expected selling price adjustments
- Underlying agro momentum remains strong esp. for SGO, however seasonally somewhat weaker (especially for herbicides in BAC)
- Volume losses in other BAC markets (automobile, construction) were less significant than in Q1 and mitigated by favorable SGO volumes

Sales performance bridge quarter on quarter [€m]



Sales performance bridge year on year [€m]



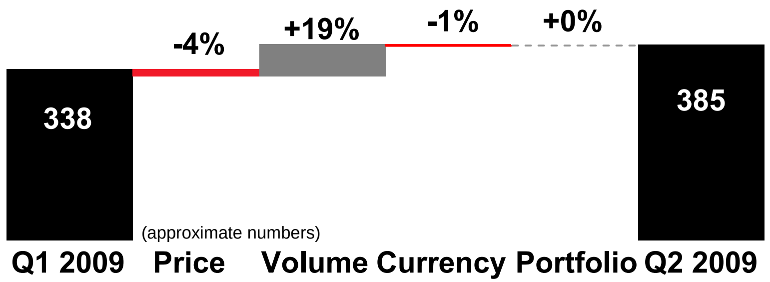
*Net of projects financed by customers

Performance Chemicals: Better volume momentum despite overall muted demand – Challenge09 mitigates

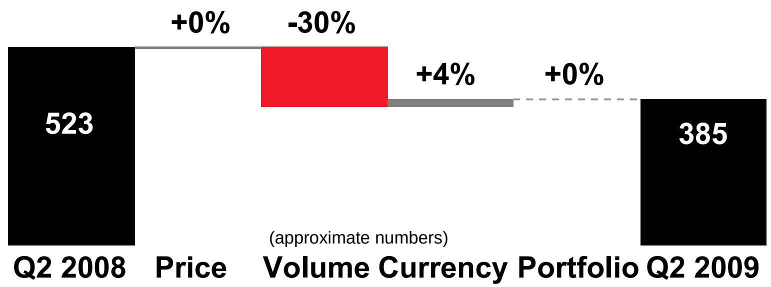
[€m]	Q2 2008	Q1 2009	Q2 2009
Sales	**523**	**338**	**385**
EBIT	57	21	29
Depr. / Amort.	20	17	16
EBITDA	77	38	45
EBITDA pre exceptionals	**78**	**39**	**44**
Margin	14.9%	11.5%	11.4%
Capex	**17**	**13**	**19**

- Sales of all BUs increased sequentially and prices remained stable year on year
- MPP, IPG and LEA are strongest contributors to sequential EBITDA improvement
- RUC and RCH continue to be burdened by weak auto industry
- IPG performed well in an ongoing difficult construction market
- Good pricing in Q2. Price decline expected in Q3, in line with raw-materials
- Only ~ €5 m inventory devaluation (mainly phosphor and cast iron borings)

Sales performance bridge quarter on quarter [€m]



Sales performance bridge year on year [€m]



LANXESS

Strong financial platform in a global economic crisis

[€ m]	Dec 31, 2008	Jun 30, 2009
Non-current Assets	**2,169**	**2,219**
Intangible assets	145	159
Property, plant & equipment	1,646	1,714
Equity investments	42	23
Other investments	2	1
Other financial assets	72	39
Deferred taxes	154	160
Other non-current assets	108	123
Current Assets	**2,423**	**2,766**
Inventories	1,048	821
Trade accounts receivable	725	679
Other financial assets	155	145
Other current assets	246	167
Liquid assets	249	954
Total Assets	**4,592**	**4,985**

	Dec 31, 2008	Jun 30, 2009
Stockholders' Equity	**1,339**	**1,375**
thereof minority interest	16	16
Non-current Liabilities	**1,953**	**2,646**
Pension & post empl. provis.	498	544
Other provisions	261	279
Other financial liabilities	986	1,634
Tax liabilities	91	91
Other liabilities	76	54
Deferred taxes	41	44
Current Liabilities	**1,300**	**964**
Other provisions	395	310
Other financial liabilities	168	71
Trade accounts payable	484	391
Tax liabilities	12	8
Other liabilities	241	184
Total Equity & Liabilities	**4,592**	**4,985**

Strengthened liquidity position to be conservatively managed in H209

- Cash position to be invested in highly rated & liquid bank deposits, money market funds and / or government bonds (including ETFs)
- Increased investments in maturities > 90 days, leading to increasing financial asset position
- Possibility to use cash to selectively early repay bank debt

Strong operating cash flow

[€ m]	Q2 2008	Q2 2009
Profit before Tax	**82**	**22**
Depreciation & amortization	64	65
Gain from sale of assets	-8	-11
Result from equity investments	-8	-3
Financial (gains) losses	44	18
Cash tax payments / refunds	-26	22
Changes in other assets and liabilities	-20	-42
Operating Cash Flow before changes in WC	**128**	**71**
Changes in Working Capital	-46	86
Operating Cash Flow	**82**	**157**
Investing Cash Flow	**-192**	**-27**
thereof Capex	-66	-57
Financing Cash Flow	**-17**	**534**

- Strong operating cash flow despite lower profit before tax
- Cash inflow based on tight working capital management
- Changes in other assets and liabilities with higher cash outs for personnel-related programs
- 2008 investing cash flow reflects Petroflex, 2009 contains dividend from Currenta
- 2009 financing cash flow includes new €500 m bond maturing in 2014

Strict working capital management delivers strong operating cash flow

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Macro view: The downturn appears to be bottoming out - risk of setbacks exists

View on LANXESS group level

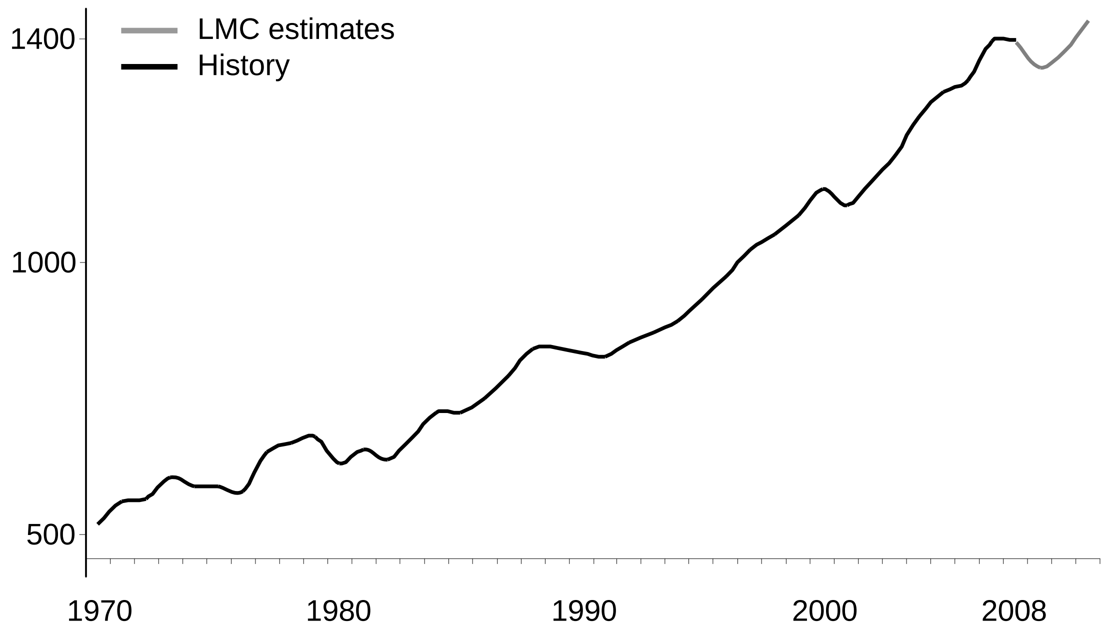
- World-wide underlying demand has bottomed out, volume trough now also reached in LatAm, North America and Europe
- Asia maintaining its good momentum, other regions are expected to recover only slowly
- Destocking completed – restocking not yet visible
- Mitigating fast rising raw material prices (notably butadiene) will be a challenge in Q3
- Usual seasonal earnings pattern with sequentially weaker H2 (Advanced Intermediates & Performance Chemicals)

Risk of setback for the economy remains

Long term trend of growing tyre demand remains in tact

Tyre trend – trough has been reached

Development of global tyre market (mio units)*



Characteristics of tyres market:

- ~30 % goes into OEM
  - dependency on automotive industry
- ~70 % goes into Replacement
  Main influences:
  - automotive fleet
  - tear and wear
  - replacement factors influenced by
    - mileage driven
    - tyre quality
    - legislation

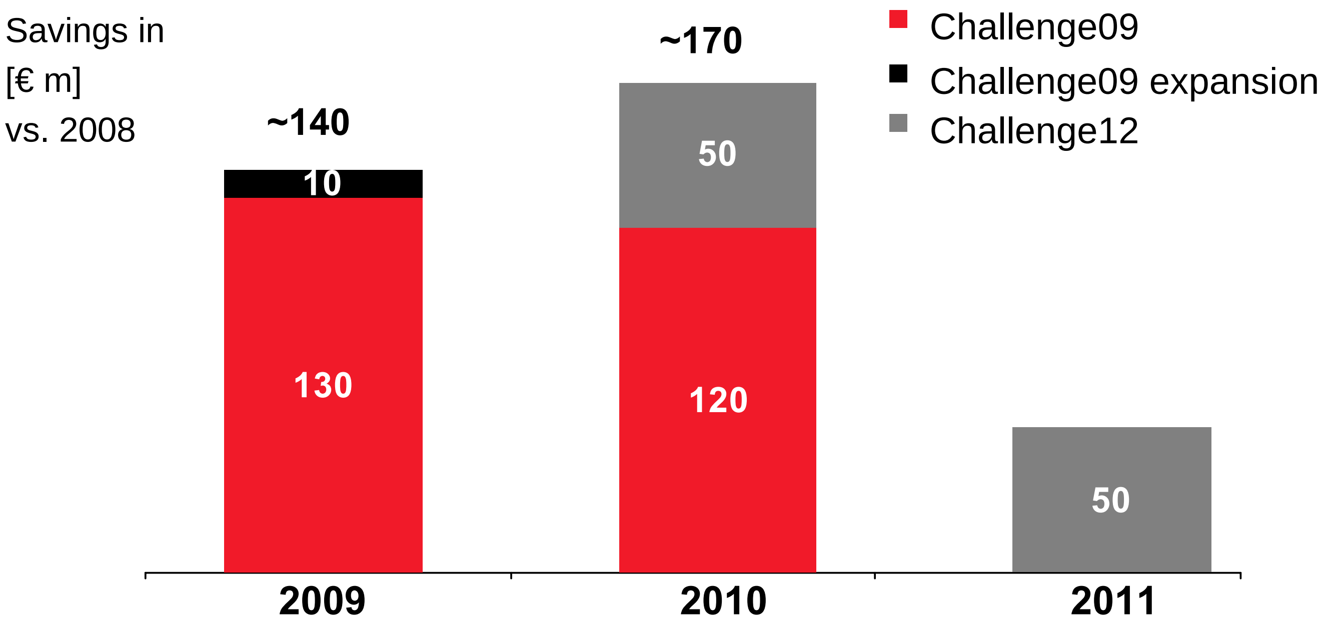
Replacement business stabilizes

* Source: LMC April 2009

LANXESS

Challenge09 expanded and Challenge12 initiated

Farsighted action to mitigate longer lasting crisis



"Challenge09-12" programs add up to €360 m savings by 2012

Challenge09 and 12

Challenge09 extended

- Additional €10 m one time savings due to release of provision for personnel benefits

Challenge12 initiated to

- Support "price before volume" strategy
- Prolong cost reduction

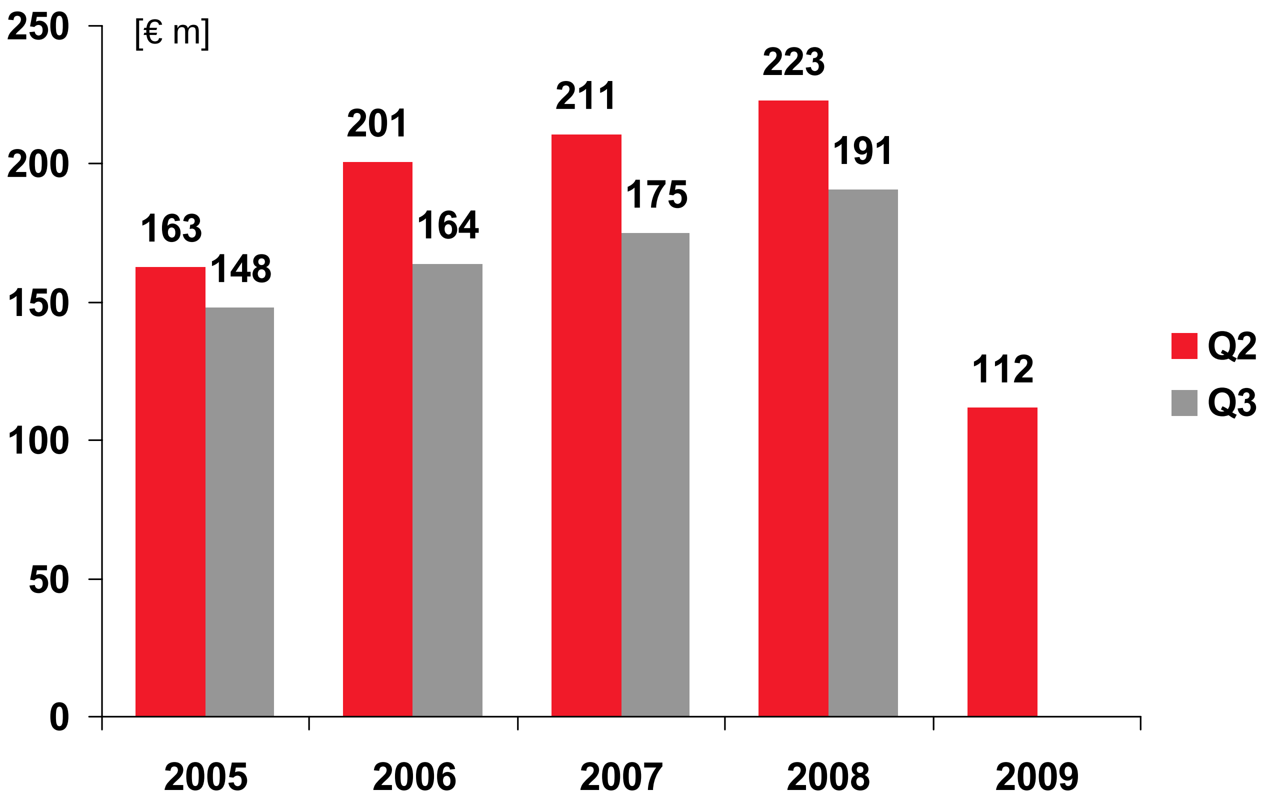
to mitigate idle costs and inflationary input cost development (raw materials, energy, salaries)

Challenge12 (2years) comprises

- Reduction of contractual working hours
- Reduction of fixed and variable compensation worldwide
- Postponement of salary increases worldwide

Q3 EBITDA is traditionally below Q2 due to seasonality

Traditional earnings pattern shows: On average, Q3 earnings are ~15% below Q2



- Demand should continue to pick up
- Challenge09 measures support earnings
- Fast rising raw material prices will be a challenge
- Time lag of selling price increases cannot be ruled out

Q3 guidance underpins that economic trough has been reached but environment will remain tough and volatile

Guidance for Q3 2009

Based on previously mentioned assumptions, LANXESS expects Q3 EBITDA pre to be around Q2 level, thus offsetting the traditional earnings pattern

Additional financial expectations for 2009

- Capex*: reduced to ~€300 m
- D&A: ~€270 – 280 m
- Taxrate: reduced to ~25%
- Working Capital: moderate cash inflow for FY 2009
- Exceptionals: ~€40 m for FY 2009
- FX: U.S. dollar at 1.35-1.40 USD / EUR
- Hedging: ~50% at 1.30-1.40 USD / EUR

* Without projects financed by customers

LANXESS

Energizing Chemistry

Appendix

Portfolio management allows for regrouping of LANXESS businesses along chemical segmentation

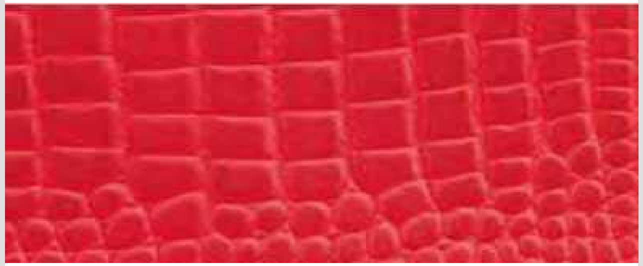
Performance Polymers

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

Advanced Intermediates

- Basic Chemicals
- Saltigo

Performance Chemicals

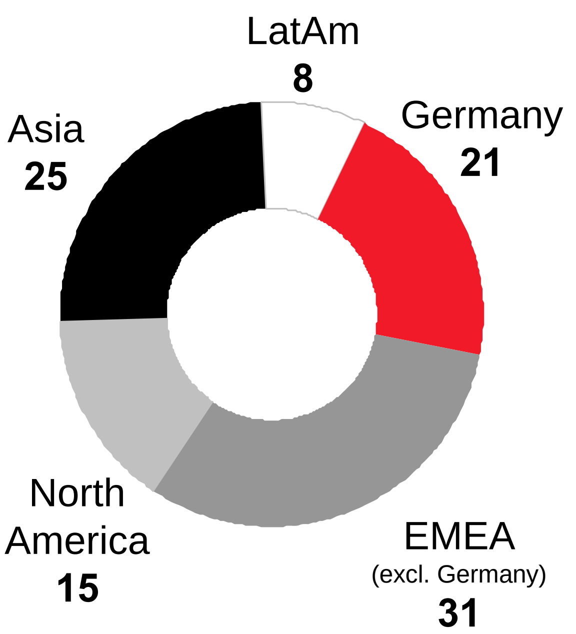


- Material Protection Products
- Inorganic Pigments
- Functional Chemicals
- Leather
- RheinChemie
- Rubber Chemicals
- Ion Exchange Resins

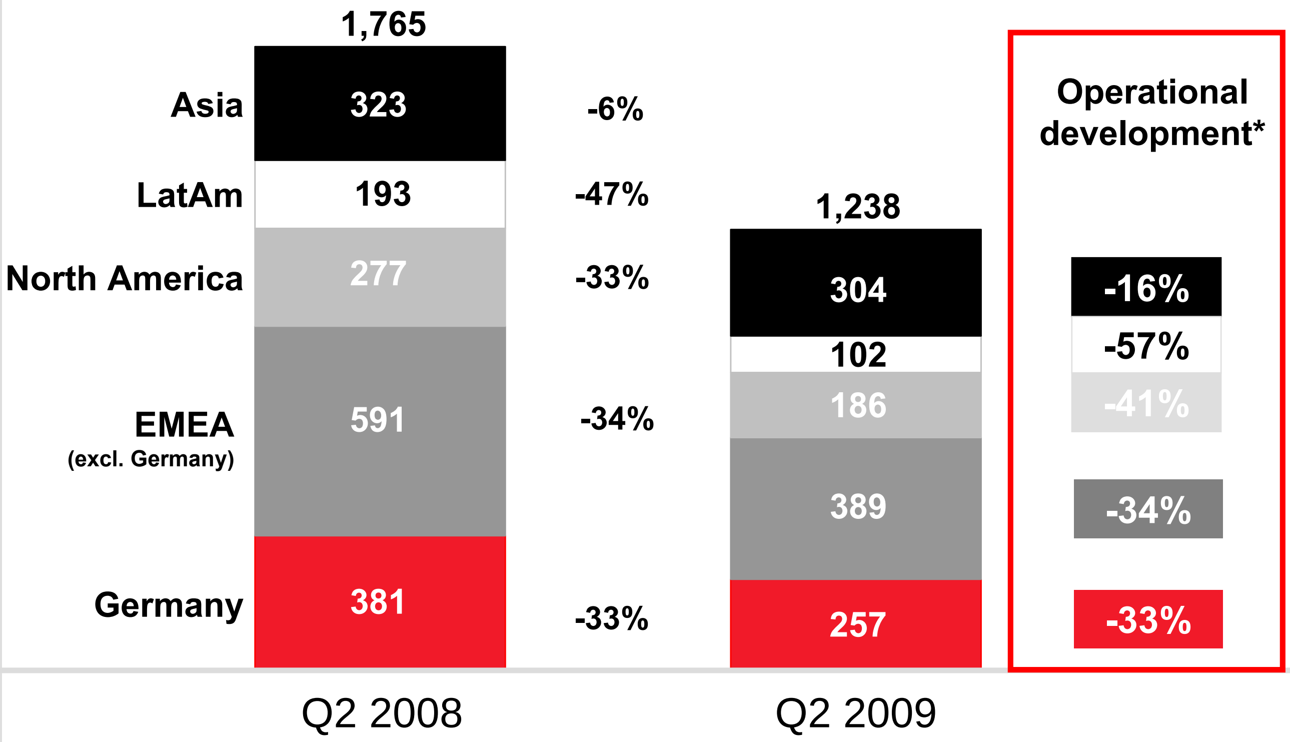
Sales: > € 500 mn   Sales: € 200 mn – 500 mn   Sales: < € 200 mn

Second quarter volume improvement substantially driven by Asia, while all other regions are still heavily impacted

Sales by Region (in %)



Regional development of sales [€ m]



* Currency adjusted

Well managed businesses deliver a positive net income

[€ m]	Q2 2008	Q1 2009	Q2 2009	yoy in %
Sales	**1,765**	**1,054**	**1,238**	**-30%**
Cost of sales	-1,343	-857	-977	-27%
SG&A	-242	-174	-191	-21%
R&D	-27	-24	-25	-7%
Other op. income/expense	-37	0	-2	-95%
thereof exceptionals	-43	-4	-7	-84%
EBIT	**116**	**-1**	**43**	**-63%**
Net Income	**55**	**-14**	**17**	**-69%**
EPS	**0.66**	**-0.17**	**0.20**	**-70%**
EBITDA	180	62	108	-40%
thereof exceptionals	-43	-4	-4	-91%
EBITDA pre exceptionals	**223**	**66**	**112**	**-50%**

- Sales decline is based on lower prices (-11%) due to easing raw materials (~ €200 m); currency effects (+4%) slightly alleviate severe volume impact (-23%)
- Cost of sales contain ~ €5 m inventory devaluation
- Deviations in expense line items reflect lower business activity and cost saving efforts
- Sequential EBITDA* improvement as well as positive net income support the view that the trough has been reached

Substantial sequential improvement

* Pre exceptionals

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H1 2009 financial overview: Profitable in trough environment but still heavily impacted compared to previous year

[€ m]	H1 2008	H1 2009	yoy in %
Sales	3,300	2,292	-30.5%
EBITDA pre except.	443	178	-59.8%
margin	13.4%	7.8%	
Net Income	159	3	-98.1%
Capex[1]	100	109	9.0%

[€ m]	31.12.2008	30.06.2009	% vs. FY
Net Financial Debt	864	719	-16.8%
Net Working Capital	1,289	1,109	-14.0%
Employees	14,797	14,335	-3.1%

- Sales decreased 31%, with positive currency effects only slightly mitigating negative impact from lower volumes and raw material driven selling price decline
- EBITDA* well below previous year level but margin proves resilience in trough scenario
- Net income positive despite very low level of underlying demand
- Net debt further reduced due to strong cash flow
- Further headcount reduction of ~460 employees

Facing strong headwinds but profitable

* Pre exceptionals [1]Net of projects financed by customers and finance lease

P&L reflects strict cost management in tough environment

[€ m]	H1 2008	H1 2009	∆ in %
Sales	**3,300**	**2,292**	**-31%**
Cost of sales	-2,501	-1,834	-27%
SG&A	-455	-365	-20%
R&D	-50	-49	-2%
Other op. income / expense	-33	-2	-94%
thereof exceptionals	-57	-11	-81%
EBIT	**261**	**42**	**-84%**
Net Income	**159**	**3**	**-98%**
EPS	**1.91**	**0.04**	**-98%**
EBITDA	389	170	-56%
thereof exceptionals	-54	-8	-85%
EBITDA pre exceptionals	**443**	**178**	**-60%**

- Prices declined 7% due to easing from raw materials; effects from currencies (+4%) as well as portfolio (+2%) slightly alleviate severe volume impact (-29%)
- Costs of sales contain ~ €45 m inventory devaluation
- Deviations in expense line items reflect lower business activity and cost saving efforts
- EBITDA* substantially lower than previous year due to a very low level of underlying demand, inventory devaluation and destocking effects

P&L tightly managed

* Pre exceptionals

Strong 2009 cash flow compares very favorably to 2008

[€ m]	H1 2008	H1 2009
Profit before Tax	**224**	**1**
Depreciation & amortization	128	128
Gain from sale of assets	-12	-18
Result from equity investments	-15	-5
Financial (gains) losses	48	27
Cash tax payments / refunds	-46	46
Changes in other assets and liabilities	-23	-99
Operating Cash Flow before changes in WC	**304**	**80**
Changes in Working Capital	-177	199
Operating Cash Flow	**127**	**279**
Investing Cash Flow	**-242**	**-22**
thereof Capex	-100	-109
Financing Cash Flow	**109**	**438**

- Strong operating cash flow despite lower profit before tax
- Cash inflow supported by tight working capital management
- Changes in other assets and liabilities with higher 2009 cash out for personnel-related programs as well as 2008 increase in restructuring provisions
- 2008 investing cash flow reflects acquisition of Petroflex, 2009 contains dividend from Currenta
- 2009 financing CF includes new €500 m bond maturing in 2014

Disciplined working capital management

Exceptional items incurred in Q2 2008 and Q2 2009

[€ m]	Q2 2008		Q2 2009	
	Exceptional	thereof D&A	Exceptional	thereof D&A
Performance Polymers	49	0	1	0
Advanced Intermediates	0	0	0	0
Performance Chemicals	2	1	-1	0
Reconciliation	-8	-1	7	3
Total	**43**	**0**	**7**	**3**

Exceptional items incurred in H1 2008 and H1 2009

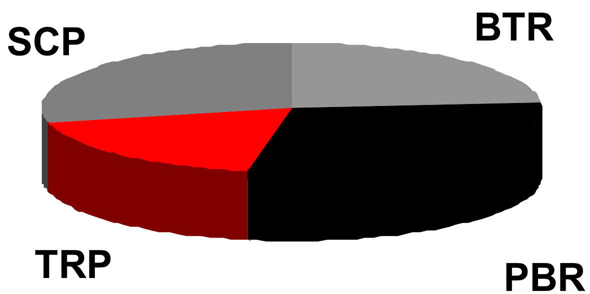
[€ m]	H1 2008		H1 2009	
	Exceptional	thereof D&A	Exceptional	thereof D&A
Performance Polymers	54	3	1	0
Advanced Intermediates	0	0	0	0
Performance Chemicals	5	1	0	0
Reconciliation	-2	-1	10	3
Total	**57**	**3**	**11**	**3**

Performance Polymers: Low level of underlying demand, inventory devaluations and destocking impact performance

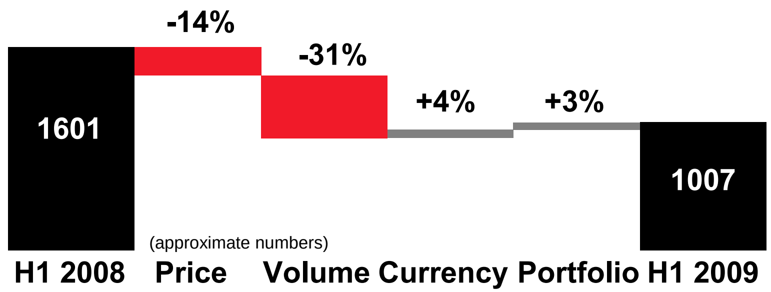
[€m]	H1 2008	H1 2009
Sales	**1,601**	**1,007**
EBIT	119	-6
Depr. / Amort.	61	65
EBITDA	180	59
EBITDA pre exceptionals	**231**	**60**
Margin	14.4%	6.0%
Capex*	**47**	**56**

- Sales remain depressed yoy with positive currency and portfolio effects only mitigating price and volume declines
- Selling prices declined on the basis of raw material indexed sales contracts and stronger Asian exposure (mainly in PBR)
- Selling price decline in balance with lower input costs
- SCP stable in intermediates but compounds still sluggish
- EBITDA pre and margin well below previous year, also impacted by H1 inventory devaluation of ~ €35 m

Sales by BU



Sales performance bridge year on year [€m]



*Net of finance lease

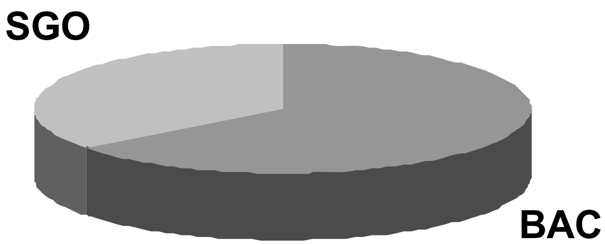
LANXESS

Advanced Intermediates: Solid business, but Q2 affected by seasonality and ongoing weak auto and construction

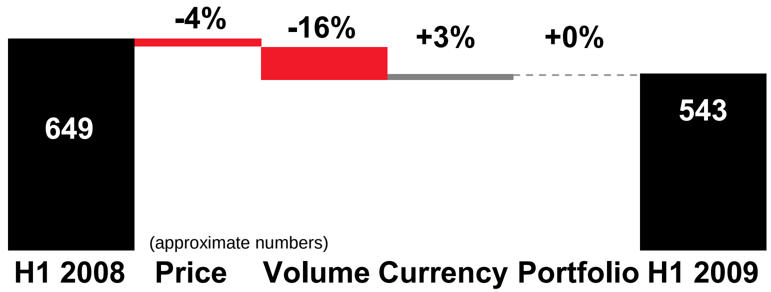
[€m]	H1 2008	H1 2009
Sales	**649**	**543**
EBIT	84	62
Depr. / Amort.	21	22
EBITDA	105	84
EBITDA pre exceptionals	**105**	**84**
Margin	16.2%	15.5%
Capex*	**20**	**17**

- Positive currency effect only mitigates price and volume decline
- Declining raw material prices were supportive to the segment's performance even after expected selling price adjustments
- Underlying agro momentum remains strong esp. for SGO, however seasonally somewhat weaker (especially for herbicides in BAC)
- Volume losses in other BAC markets (automobile, construction) mitigated by favorable SGO volumes

Sales by BU



Sales performance bridge year on year [€m]



*Net of projects financed by customers

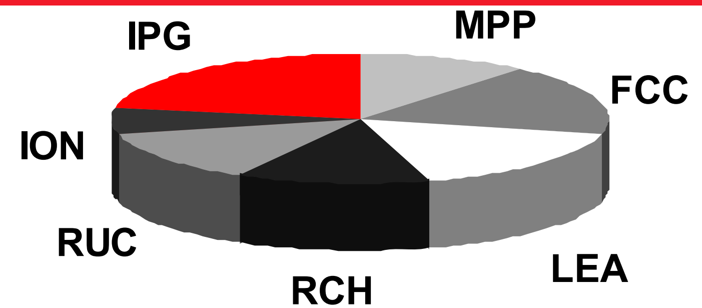
LANXESS

Performance Chemicals: Better volume momentum despite overall muted demand – Challenge09 mitigates

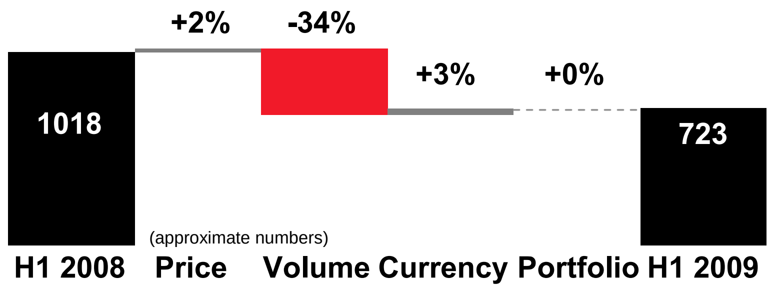
[€m]	H1 2008	H1 2009
Sales	**1,018**	**723**
EBIT	117	50
Depr. / Amort.	39	33
EBITDA	156	83
EBITDA pre exceptionals	**160**	**83**
Margin	15.7%	11.5%
Capex	**28**	**32**

- Sales were lower as positive price and currency effects could only mitigate strong volume decline
- MPP, IPG and LEA are strongest contributors to sequential EBITDA improvement
- RUC and RCH continue to be burdened by weak auto industry
- IPG performed well in an ongoing difficult construction market
- Good pricing in Q2. Price decline expected in Q3, in line with raw-materials
- €10 m inventory devaluation in H1 2009

Sales by BU



Sales performance bridge year on year [€m]



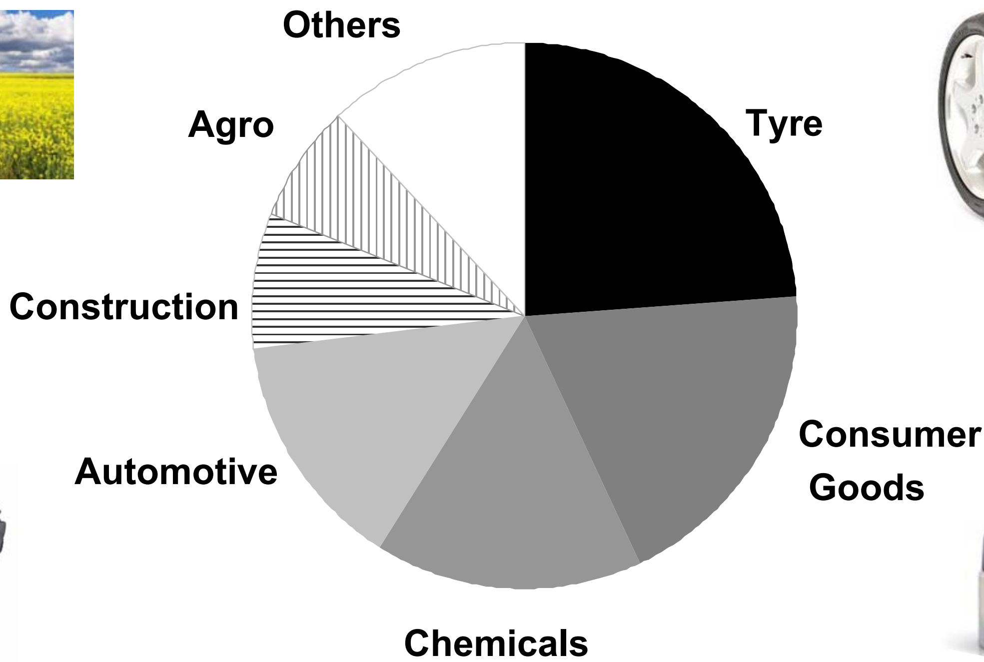
* Pre exceptionals

FY 2009: Volume improvement and effective self-help measures give us confidence but uncertain economic conditions remain

Performance Polymers	▪ Upside for BTR in Asia, PBR with some impetus from U.S. retreading business, potential replacement pickup could help ▪ SCP stable in intermediates but compounds still sluggish due to automotive exposure ▪ No significant re-stocking expected in Q3
Advanced Intermediates	▪ Agrochemicals expected seasonally weaker in Q3 but overall with good contribution ▪ Normal seasonality of therefore sequentially weaker Q4 expected
Performance Chemicals	▪ Positive end market development for LEA and IPG in Q3 ▪ IPG with further sequential improvement expected in Q3 ▪ RUC and RCH to benefit slightly from improved volumes ▪ No re-stocking effects expected ▪ Normal seasonal nature apparent (Q4 weaker: construction, automobile)

LANXESS has a broad customer portfolio with varying demand patterns

LANXESS sales distribution by industry, 2008

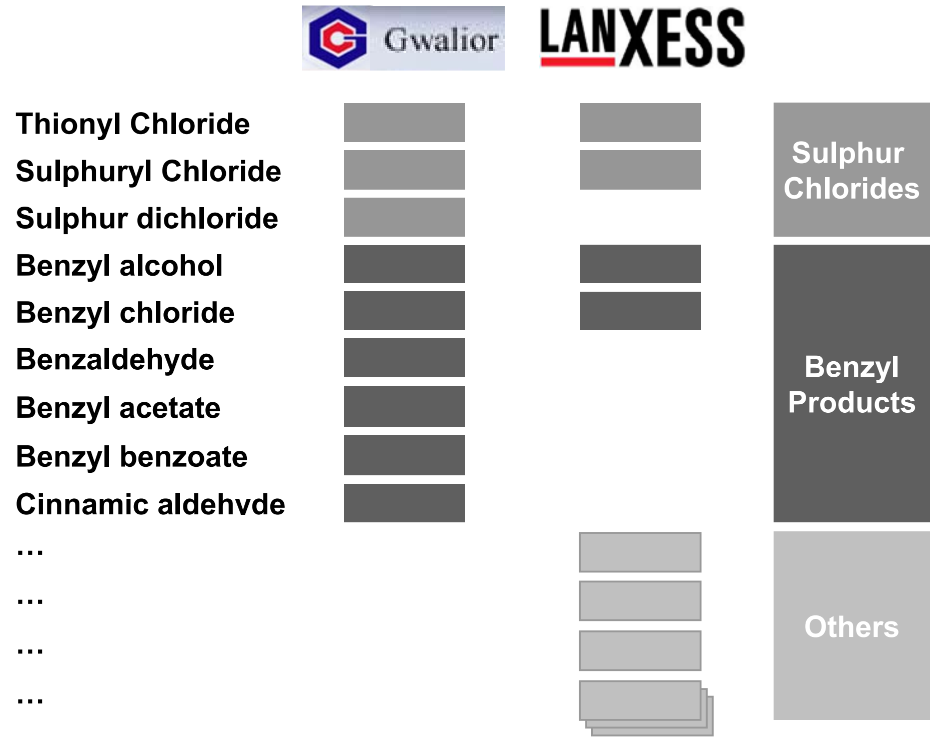


LANXESS

LANXESS amplifies and broadens its product portfolio: Acquisition of Gwalior Chemicals in India

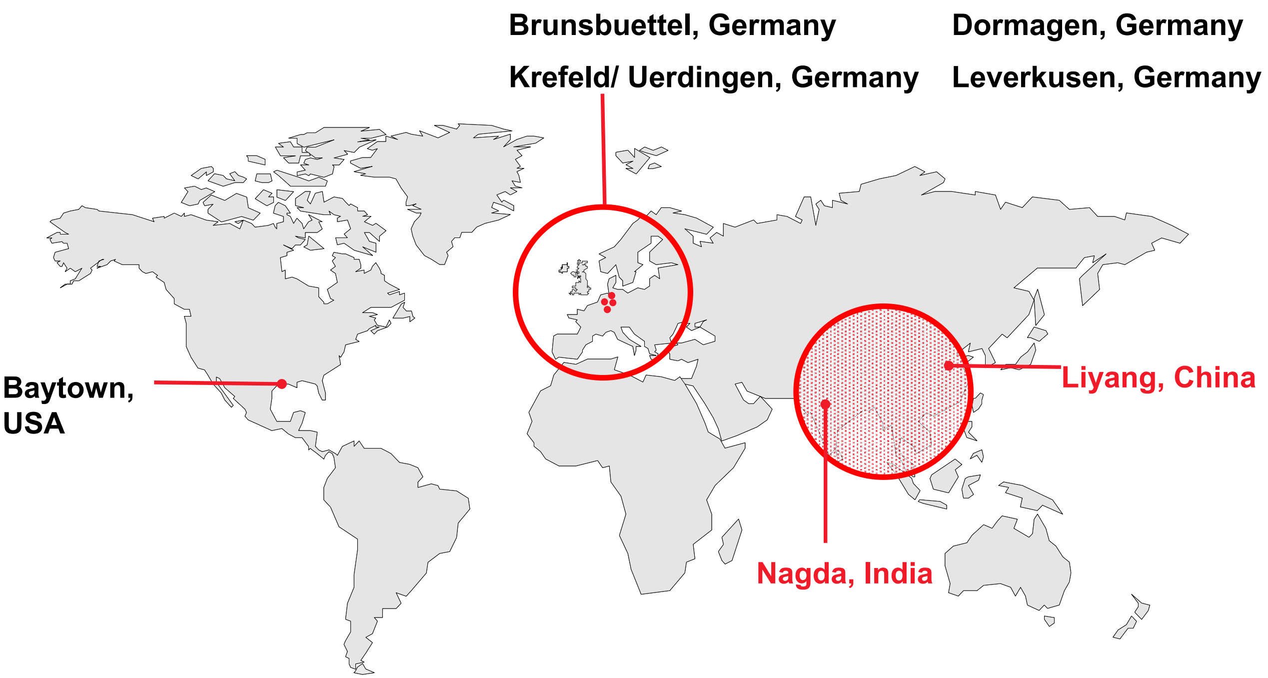
Gwalior Chemical Industries Ltd.

- Stock-listed basic and specialty chemicals company; founded in 1978
- Permanent employees: approx. 400
- Gwalior Chemical Industries produces building blocks for the agro- and pharma industry, esp.
  - Sulphur Chlorides and
  - Benzyl products
- Integration into LANXESS India Private Ltd.



Strengthening and complementing the product and customer portfolio for BU BAC

In addition BU BAC strengthens LANXESS position in China via another selective acquisition



Jiangsu Polyols Chem. Co

- Acquisition of production assets in the polyols business (TMP*)
- Young company, founded in 2006
- Products mainly for lubricants, paints and coatings

* Trimethylolpropane

Attractive financial terms for Acquisition of Gwalior

Gwalior Chemical Industries

Acquisition financials

- Purchase price of €82 m
- EBITDA pre* multiple: ~7.5 x
- EPS accretive as of 2010

Attractive price

- Replacement value: ~€81 m
- Assets ~€40 m
- Working Capital at closing ~€16 m
- Current capacity expansion and others ~€25 m

Business financials

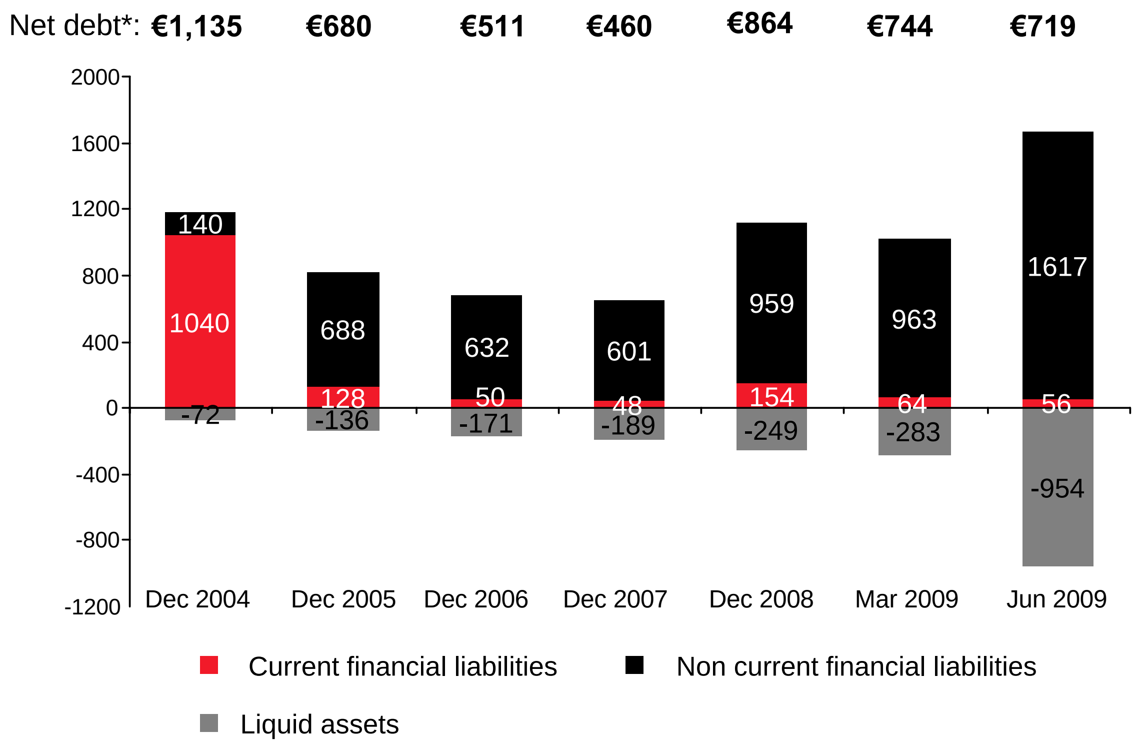
- Business year 2008 /09: Sales of ~€57.8 m
- CAGR FY 05** – FY 08**
  - Sales: 24 %
  - EBITDA: 26 %
  - EBIT: 26 %
- Main growth drivers:
  - Indian market
  - agro, pharma, flavour & fragrance industries

Jiangsu Polyols Chem. Co

- Strengthening our already strong global position in TMP by a small acquisition in China
- Sales 2008: ~€10 m
- Employees: ~170

* based on EBITDA pre estimates FY 09 ** Accounting period ends March 31st, e.g. financial year 2008 ends March 31st, 2008

Cash is king: Tight working capital management strengthens cash flow, reduces net debt



- Cash inflow from strong working capital management reduces net debt
- New €500 m bond as well as €130 m Schuldschein[1] increase both liquid assets and financial liabilities

Net financial debt continuously managed

* Adjusted for liabilities for accrued interest, 2009 after deduction of €27 m in Q1 and €17 m in Q2 in specific exchange hedging of financial liabilities [1]english: promissory note

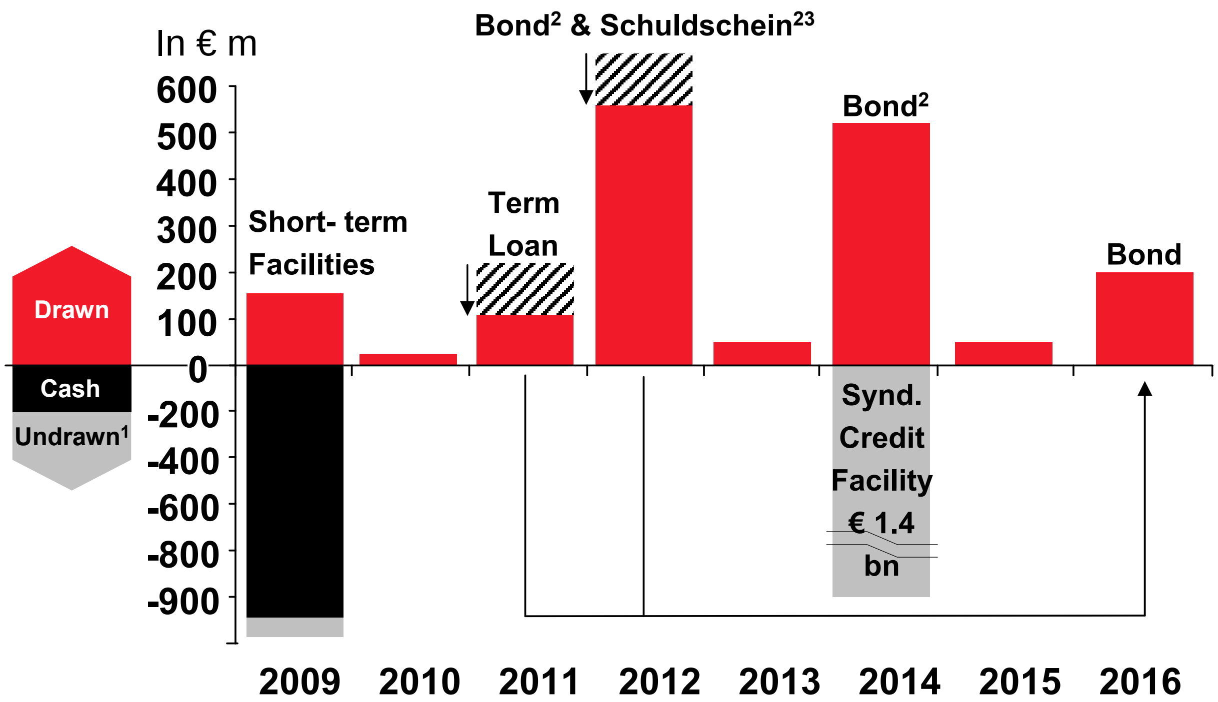
Maturity profile extended and strengthened

Strong cash position managed

- Cash position to be invested in highly rated & liquid bank deposits, money market funds and / or government bonds (including ETFs)
- Increased investments in maturities > 90 days, leading to increasing financial asset position
- Possibility to use cash to selectively early repay bank debt
- Counterparty risks minimized by strict rating and concentration criterias

- €130 m additional financing by Schuldschein[3] maturing in 2012

Liquidity and maturity profile



In times of crisis, access to unconditioned liquidity is a valuable asset in its own right

[1]committed credit lines, [2]major instrument [3]english: promissory note

Rating-agencies confirm LANXESS' achievements

Standard&Poor's
BBB

- Liquidity is strong
- Will manage investments and balance sheet in light of the currently difficult economic environment
- Has successfully restructured business activities

Moody's
Baa2

- Lanxess Baa2 rating continues to reflect the issuer's adequate debt and cash flow metrics for the current rating category
- The group's strong liquidity profile remains highly supportive of the stable outlook

Fitch Ratings
BBB

- Improved business risk, cost position and capital structure
- Product portfolio has moved up the value scale over the past four years
- Fitch takes comfort in Lanxess's strong liquidity

Source: Rating-Agencies

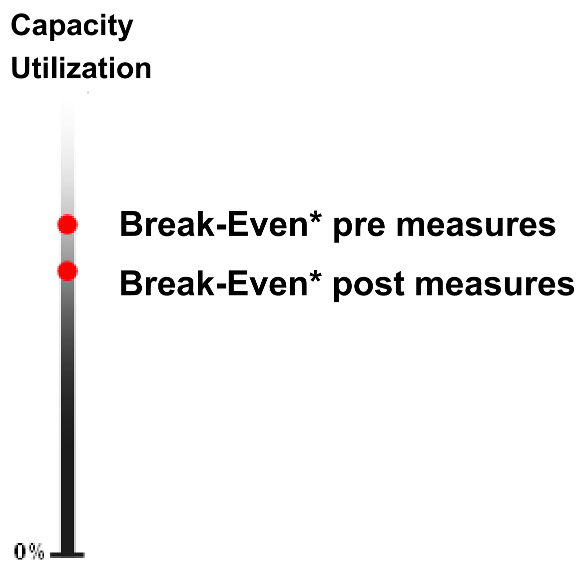
LANXESS Break-Even* now at around 10% points lower capacity utilization

Fixed and variable cost management lower Break-Even

Variable cost aspects
- Renegotiation of raw material contracts
- Seek new sources for variable energy
- Renegotiate service contracts, insourcing of services

Fixed cost - structural aspects
- TRP closure in Sarnia, Canada
- ION closing Birmingham, USA
- BTR restructuring Sarnia, Canada and Zwijndrecht
- Petroflex restructuring

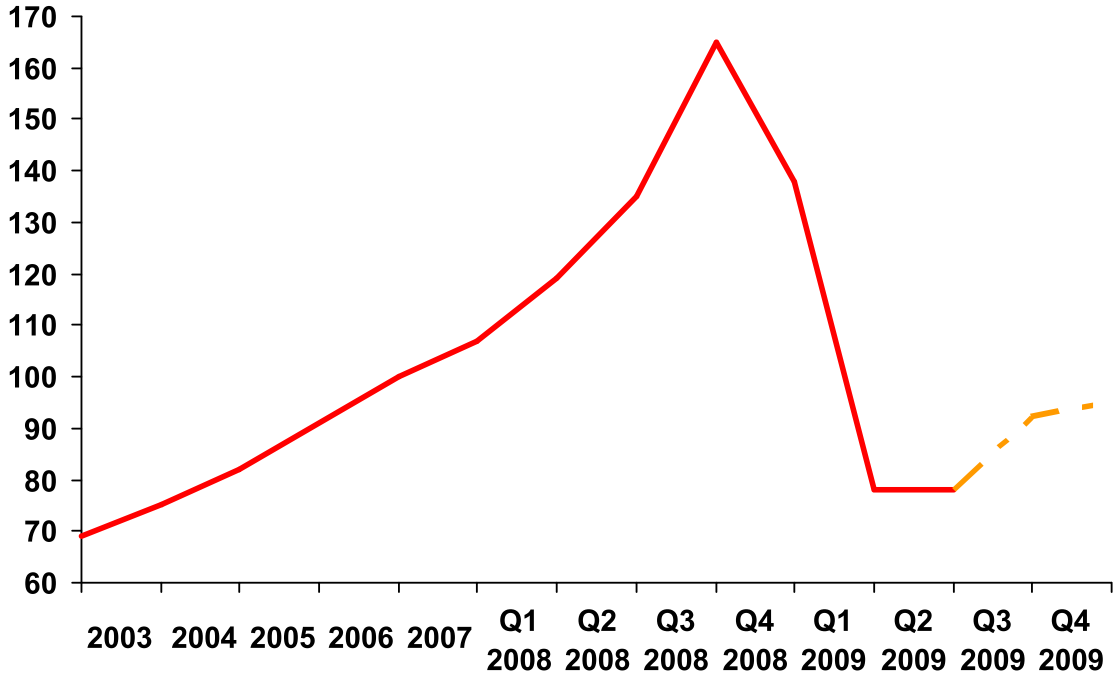
Fixed costs - temporary aspects
- Introduction of fixed salary cut
- Introduction of short time work, “Kurzarbeit”
- Renegotiation of service contracts



* Break-Even of EBITDA pre = 0

As raw materials are expected to rise, typical lag-effect for price pass-through cannot be excluded

Global raw materials index* [%]



* average 2006 = 100%

- In Q1 2009, raw materials decreased, lag-effect helped keeping selling prices stable
- In Q2 2009, raw materials stabilized at very low level as selling prices came down, following raw materials price decline in Q1
- In Q3 2009, rise in raw material prices probable, stable level in selling prices cannot be excluded due to time lag in price pass-through

Price pass-through with typical time-lag

LANXESS

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

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

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

LANXESS

Is LANXESS a swing producer?

Tyre manufacturers produce insufficient synthetic rubber for their captive use

Rubber producing capabilities of selected tyre manufacturers:

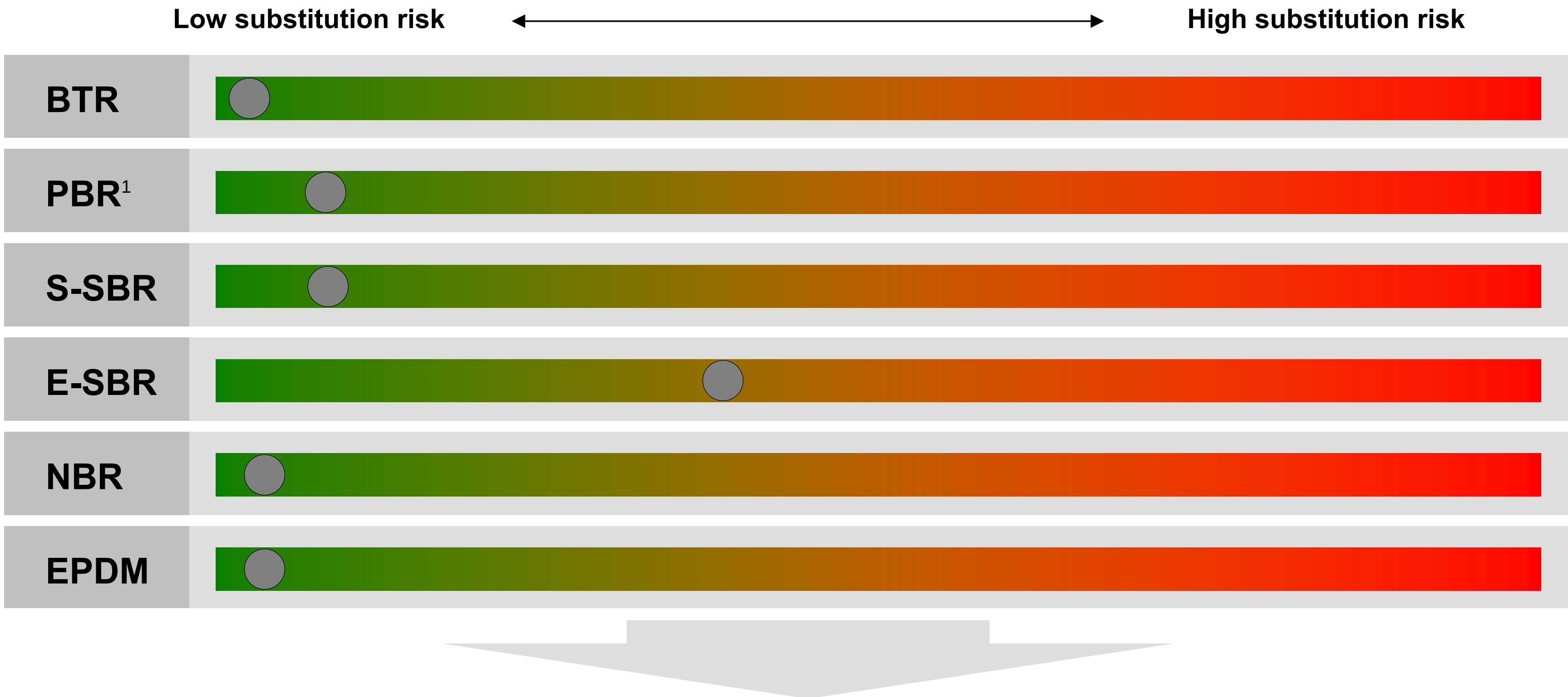
Importance in LANXESS portfollio		Michelin	Goodyear	Bridgestone	Continental	Pirelli	Hankook
major	**BTR**	none	none	none	none	none	none
major	**PBR**[1]	little[2]	none	capable	none	none	none
minor	**S-SBR**	capable	capable	capable	none	none	none
major	**E-SBR**	little	capable	capable	none	none	none
major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

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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