LANXESS Q1 2008 Financial Summary
for Investors and Analysts

- Strong operational sales growth (+8.1%)
- EBITDA pre exc. increased to €220 m, despite negative raw material-, currency- and portfolio effects
- EBITDA margin at 14.3% vs. 12.8% in previous year
- EPS increased by 14%
- Net debt remains stable at €468 m
- Outlook FY 2008:
  EBITDA pre exceptionals expected to be above €700 m

Overview Financials

Q1 Profit and Loss Statement:
- Sales Deviation: Price: +3.8%, Volume +4.3%, Currency -5.0%, Portfolio -13.4% (approximate numbers)
- Lower sales (€1,535 vs €1,711m in Q1 2008) due to portfolio effect (mainly BU LUP). Underlying sales however increased as higher prices and volumes offset currency effects
- Adjusted for portfolio changes, EBITDA* increases by 5% to €220 m from €209 m
- EBITDA pre exceptionals performance above Q1 2007 despite absence of €10 m contribution from former BU LUP, raw material pressure and unfavourable currency effects
- EBITDA margin improved on the basis of an improved business portfolio and continued pricing power
- Operating segments are burdened by unfavourable currency effects, mitigating hedging gains are booked in others / reconciliation

Q1 Cash flow Statement:
- Improved profit before tax on the basis of sound operations
- Operating cash flow Q1 2008 contains
  - ~€10 m restructuring cash out
  - Initial cash out of long-term incentive payment (~€10 m for EVP component)
  - Higher cash tax payments
- Higher outflow for working capital due to more pronounced seasonal development, based on expanded business volume and risen raw material costs in inventory
- Financing cash flow mirrors preparation for acquisition payment for Petroflex in Q2 2008
Q1 Business Overview

Performance Polymers
- Sales Deviation: **Price**: +7%, **Volume** +5%, **Currency** -7% (approximate numbers)
- Substantial price and volume increases lead to higher sales and more than offset negative currency effects
- All BUs increased selling prices, PBR, TRP and SCP with simultaneous volume increases, while BTR is sold out
- SCP strong underlying business. Due to the production process, SCP could compensate the sulfur price increase due to the strong fertilizer demand for its by-product ammonium sulfate.
- Stable margins on attractive level despite negative currency effects and risen raw material costs, which were fully passed on
- Capex reduced because of last year’s investment level for BTR debottlenecking in Canada and Belgium

Advanced Intermediates
- Sales Deviation: Price: +2%, Volume +9%, **Currency** -4% (approximate numbers)
- Sales increased mainly as both BUs achieve higher prices and volumes, based on strong agro demand (fungicides and herbicides), more than offsetting unfavorable currency effects
- Strong price increases for BAC in order to mitigate boosted raw material, energy and logistic costs, helped to almost maintain the BU's high level of EBITDA pre exceptionals
- SGO provides improved EBITDA* contribution, mainly due to strong demand for agrochemicals
- Currency effects due to regional production / sales setup weigh on segment margin. Offsetting hedging is mirrored in reconciliation segment

Performance Chemicals
- Sales Deviation: Price: +2%, Volume +2%, **Currency** -5% (approximate numbers)
- Operationally, sales increased on the basis of higher prices and volumes. Reported sales are slightly reduced as currency effects overweight operational improvements
- Absolute EBITDA pre exceptionals remained stable as improved performance mainly in LEA (chrome ore), RUC and ION offset a reduced result of IPG which also compared to a very good Q1 2007
- In future quarters, MPP and ION are expected to see additional registration and selling expenses, as already pointed out earlier
2008 Business environment and Outlook

Macro-economic environment and regional overview:
- LANXESS remains confident for 2008 despite mixed macro-economic landscape after the operationally good start into 2008
- Further weakening of the U.S. economy expected in 2008, especially in the automotive and construction industry while most LANXESS businesses (e.g. tire and agro) remain strong
- Dynamic developments in others regions such as BRIC countries, Asia compensate for slowing NAFTA demand
- Crude oil and derivatives assumed to remain volatile and on high level
- Energy- and personnel cost to rise as of Q2 2008
- Strengthening of the USD earliest in H2 2008. FY 2008 average rate of ~1,50 USD/€ expected. (LANXESS’ hedging: ~1,45 USD/€)

Guidance 2008:
- EBITDA pre exceptionals FY 2008 is expected to be above €700 m
  - Further financial information:
    o ~€35-40 m EBITDA pre exceptionals from Petroflex for 9 months ’08
    o Exceptional P&L expense in Q2 expected around €50-70 m
    o Tax rate ~30% for FY 2008
    o Capex ’08: €330-350 m
    o Q2 will see the majority of the announced cash outs:
      ▪ Restructuring / efficiency programs
      ▪ Petroflex acquisition
      ▪ Dividend payout
      ▪ Annual interest payment for €500 m bond

Leverkusen, May 14, 2008

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 Q1 2008

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<td>Q1 08</td>
<td>Chg. in %</td>
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<td>Q1 08</td>
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<tr>
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<td>658</td>
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<td>EBIT</td>
<td>150</td>
<td>145</td>
<td>-3%</td>
<td>76</td>
<td>73</td>
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<td>Deprec. &amp; amortizat.</td>
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<td>209</td>
<td>-1%</td>
<td>101</td>
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<td>exceptions in EBITDA</td>
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<td>EBIT pre excep.</td>
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<td>Capex</td>
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<td>Net financial debt</td>
<td>460**</td>
<td>468</td>
<td>2%</td>
<td>21</td>
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* approximate numbers  
**per Dec. 31
Abbreviations:

BAC  Basic Chemicals
BTR  Butyl Rubber
FCC  Functional Chemicals
ION  Ion Exchange Resins
IPG  Inorganic Pigments
LEA  Leather
LUP  Lustran Polymers
MPP  Material Protection Products
PBR  Polybutadiene Rubber
RCH  RheinChemie
RUC  Rubber Chemicals
SCP  Semi-Crystalline Products
SGO  Saltigo
TRP  Technical Rubber Products