LANXESS Q1 2010 Financial Summary
for Investors and Analysts

- Strong, volume-driven sales growth of 53.0%
- EBITDA pre of €233 million driven by flexible and adjusted cost structure and also supported by some customers restocking
- EBITDA margin of 14.4% after 6.3% in prior-year quarter
- Net income of €104 million
- Net financial debt of €851 million slightly above year-end level
- 2010 guidance: EBITDA pre exceptionals of €650-700 million

Overview Financials

Q1 Profit and Loss Statement:
- Significant sales increase as positive volume (+50%), price (+6%) and portfolio (+2%) effects are somewhat mitigated by negative FX development (-4%)
- Relative operational cost base reduced, absolute increase due to higher business activity, e.g. freight costs
- Strong EBITDA pre due to strong demand situation and flexible and adjusted cost structure

Q1 Balance Sheet:
- Higher inventories in line with increased business activity and pricing, preparation for Q2 turnaround and currency
- Net financial debt increased due to working capital financing
- Increase in pension provisions due to lower discount rates in Germany
- Solid maturity profile, no major refinancing needs

Q1 Cash flow Statement:
- Cash flow mirrors increased business activity
- Substantially improved profit before tax fuels cash flow
- Strong operating cash flow before changes in working capital
- Working Capital increase: risen business activity, inventories higher due to raw material pricing, volumes (also preparation for Q2 turnarounds) and currency
- Working capital should come back to usual seasonality (increase in H1 and decrease in H2)
Q1 Business Overview

**Performance Polymers**
- **Substantial business rebound**
  - Sales deviation yoy: Price: +17%, Volume +74%, Currency -7%, (approximate numbers)
  - Sales rebound yoy due to stronger volumes and prices in all BUs
  - Improvement in all regions: ongoing strong demand for rubber especially driven by the mobility trend in the emerging markets, replacement cycle in Europe and North America and restocking
  - BTR running at full capacity
  - PBR with good momentum especially from Asia and very good performance from Lanxess Elastômeros do Brasil S.A. (former Petroflex)
  - SCP, TRP benefit from positive development of OEM markets and new product business momentum
  - Price increases offset risen input costs (mainly Butadiene)
  - EBITDA and margin further improved, solid demand leads to increased capacity utilization rates, lower idle costs

**Advanced Intermediates**
- **Segment provides stability**
  - Sales deviation yoy: Price: 0%, Volume +20%, Currency -2%, Portfolio +7% (approximate numbers)
  - Volumes increase on normal seasonal demand pattern
  - Softening in agro due to higher customer inventories (BAC, SGO). Non-agro end industries overcompensate (BAC), albeit with lower margin contribution
  - Saltigo pharma business decreasing
  - Positive long-term trend for agrochemicals remains intact
  - Gwaiior with very pleasant performance in Q1
  - EBITDA pre on previous year's solid level

**Performance Chemicals**
- **Strong specialty chemicals portfolio**
  - Sales deviation yoy: Price: -5%, Volume +42%, Currency -2% (approximate numbers)
  - Sales rebound in all BUs due to solid volume improvement
  - RCH and RUC benefit from recovery of OEM markets
  - Lower selling prices offset by reduced input costs with phosphor (FCC) and related lower selling prices for chromium ore (LEA) being the main drivers
  - BUs IPG and RCH strongest absolute contributors to EBITDA increase
  - ION with expansion project well on track
  - Substantial improvement of EBITDA pre year on year
2010 Business environment and outlook

Macro-economic environment:
- Global markets have further stabilized, growth momentum in emerging markets (especially Asia) while other regions slowly improve
- Overall business momentum is anticipated to improve, however macroeconomic setbacks cannot be ruled out

Outlook:
- LANXESS is well positioned for 2010, based on
  - sound fundamentals
  - strong entrepreneurial culture
  - flexible cost structure and underlying beneficial trends (mobility trend, high performance rubber/tire labeling, lighter vehicles, agrochemicals, water purification, urbanization)
  - growing BRIC footprint
- LANXESS with very good start into 2010

Guidance:
- EBITDA pre FY 2010 is expected to be between €650-700 m assuming a continued positive macroeconomic development
  - Capex*: ~€400-430 m
  - Hedging 2010: ~40% at 1.35-1.40 USD / EUR
  - Exceptionals: ~€20 m P&L expenses / one time costs
  - Cash outs: ~€40 m for restructuring
  - Q2 expected to be peak cash-out quarter
    - Proposed dividend payout of ~€41 m
    - Annual interest payment for respective bonds
    - Payment for annual performance bonus
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*without projects financed by customers and finance leases

Leverkusen, May 11, 2010

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 2010

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<td>Net financial debt</td>
<td>794**</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
MPP  Material Protection Products
PBR  Performance Butadiene Rubbers
RCH  RheinChemie
RUC  Rubber Chemicals
SCP  Semi-Crystalline Products
SGO  Saltigo
TRP  Technical Rubber Products