

LANXESS Fact Book



TABLE OF CONTENTS

LANXESS – Energizing Chemistry	Business Segments	Financials
8 Overview	24 – Performance	87 Five years overview
13 Strategy	Polymers	90 Quarterly overview
17 Innovation	27 Butyl Rubber	92 Financing
19 Corporate Responsibility	31 Performance Butadiene Rubbers	93 Excursion
	35 Technical Rubber Products	
	39 Semi-Crystalline Products	
	44 – Advanced	
	Intermediates	
	47 Advanced Industrial Intermediates	
	51 Saltigo	
	56 – Performance	
	Chemicals	
	59 Material Protection Products	
	62 Inorganic Pigments	
	66 Functional Chemicals	
	70 Leather	
	74 Rhein Chemie	
	77 Rubber Chemicals	
	80 Ion Exchange Resins	



Dear Investors and Analysts,

October 2011

The LANXESS Board of Management always welcomes an opportunity to acknowledge the support and engagement of our investors. This publication represents just part of our ongoing effort to maintain a high level of transparency and to provide you with all the data and information you need.

LANXESS is a young company. We have been “energizing chemistry” as an independent entity only since 2005. But we have deep roots in some of today’s most dynamic and rapidly expanding sectors of the chemical industry. Our Performance Polymers segment continues to benefit greatly from the trend toward increased mobility in the developing world. Our Advanced Intermediates and Performance Chemicals segments are similarly well-positioned with respect to megatrends involving agriculture, urbanization and the global water supply. All 13 of our business units are targeted for growth, particularly in the BRIC countries that have been driving the global economy.

We continue to seek out new opportunities for growth – both organic and external – and are working steadily toward increasing the group’s EBITDA to new levels. This comes on top of our performance in the past five years, which resulted in an EBITDA increase of 40 percent, in spite of the global financial crisis.

In our continuing quest for sustainable growth, we fully understand the importance of listening to our investors and looking to the capital markets for feedback and guidance. Analysts and investors represent a primary resource that cannot responsibly be ignored in shaping the future of any serious enterprise. At LANXESS, we believe in providing you with all the information we can, so that your energies and insights can be joined with ours as we lead our company forward. We expect that this collaboration will continue to stand us in good stead through the coming years.

Sincerely,



Axel C. Heitmann
Chairman of the Board of Management



Bernhard Düttmann
Chief Financial Officer

INVESTMENT HIGHLIGHTS:

LANXESS is one of the world's leading chemical companies, with a focus on specialty products.

Organizational strength: LANXESS' lean and efficient global structure enables fast decision-making that permits the company to sustain a competitive edge.

A proactive and flexible approach served LANXESS well during the financial and economic crises, which struck global markets in 2008.

Competitiveness: LANXESS has established powerful market positions on a global scale with premium products and strong brands in the fields of synthetic rubber, high-tech plastics, intermediates, fine chemicals and application oriented activities in the field of performance chemicals.

Growth: The Company serves the key global megatrends associated with mobility, urbanization, agriculture and water. LANXESS is in the process of accelerating its organic and external growth and has set ambitious new targets, including an increase in EBITDA to €1.4 bn in 2015.

LANXESS relies on these strategic cornerstones for accelerated growth:

- Capitalize on megatrends
- Ongoing efficiency improvements
- Premium products
- Global cost competitiveness
- Active portfolio management
- Price before volume strategy
- Product and process innovation
- Focus on BRIC
- Disciplined organic and external growth
- Sound financial discipline

Sustainable dividend strategy: LANXESS first initiated dividend payments in 2006 and is committed to the sustainable profit participation of its shareholders.



LANXESS – Energizing Chemistry

Agenda




1. LANXESS – Energizing Chemistry

- Overview
- Strategy
- Innovation
- Corporate Responsibility

2. Business Segments

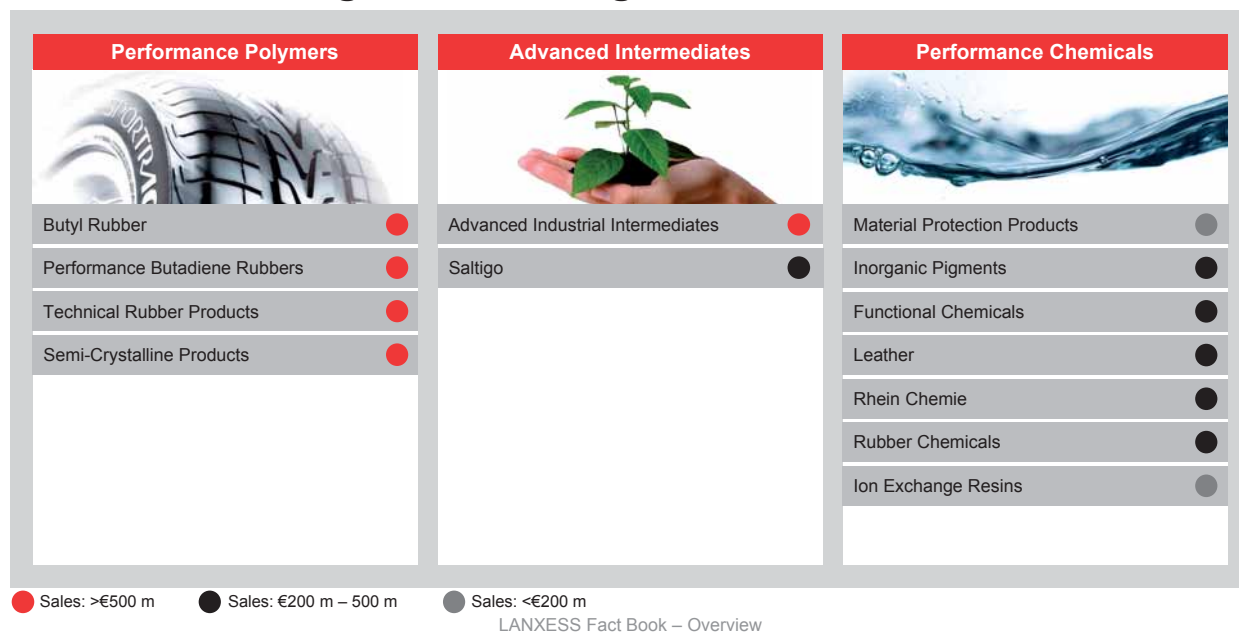
3. Financials

LANXESS – A leading specialty chemicals group

LANXESS – Energizing Chemistry		
Performance Polymers	Advanced Intermediates	Performance Chemicals
 <p>Globally No. 1-3</p>	 <p>Europe No. 1-2</p>	 <p>No. 1-4 in niches</p>
<ul style="list-style-type: none"> ▪ Global technology leader in synthetic rubber and polyamide ▪ Supporting trends: <ul style="list-style-type: none"> - mobility, growing population in Asia - high-performance tires - vehicle weight reduction - tire labeling 	<ul style="list-style-type: none"> ▪ Leading suppliers of custom synthesis and basic chemicals (agrochem-related) ▪ Supporting trends: <ul style="list-style-type: none"> - increasing crop demand based on growing world population - need of farmers to raise yields - industry consolidation 	<ul style="list-style-type: none"> ▪ Application-orientated specialty chemicals ▪ Strong brands and technology leader ▪ Supporting trends: <ul style="list-style-type: none"> - scarcity of purified water - rising middle class in APAC - ongoing market consolidation

LANXESS Fact Book – Overview

Portfolio management allows for regrouping of LANXESS businesses along chemical segmentation




LANXESS Board of Management: directly connected to the Group Functions and Business Units



2003-2005: immediate focus on transformation of LANXESS since the spin-off


2003-11-07 Decision made on the strategic reorganization of the Bayer Group	2004-09-22 Signing of the spin-off agreement	2004-11-17 Extraordinary Stockholders' Meeting of Bayer AG – acceptance of spin-off by Bayer's shareholders	2005-06-03 Announcement of 1st phase of restructuring	2005-06-20 Admission into MDAX
2003-2005				
2004-03-18 Announcement of the name LANXESS created from a combination of the words "lancer" (to launch) and "success"	2004-11-25/26 First press and analyst conference	2005-01-31 Initial quotation at the Frankfurt Stock Exchange	2005-06-06 Buyback of Mandatory Convertible	2005-06-16 1st Annual Stockholders' Meeting
2005-08-25 Announcement of 2nd phase of restructuring				



LANXESS Fact Book – Overview

2006-2007: first upgraded ratings show achievements of ongoing transformations

2006-03-01 Carve-out of the BU FCH to form Saltigo	2006-04-04 Announcement of 3rd phase of restructuring	2006-09-15 1st Capital Markets Day (CMD)	2006-12-14 Announcement: acquisition of CISA	2007-07-18/31 Ratings upgraded by Moody's to Baa2 and S&P to BBB	2007-11-13 LANXESS signs new seven-year €1.4 bn credit facility
2006-2007					
2006-03-01 Divestment of BU PAP and BU FIB concluded	2006-07-24 Announcement of 4th phase of restructuring	2006-12-31 Divestment of TPC concluded	2007-06-29 Lustran Polymers JV with INEOS announced	2007-12-13 Announcement: acquisition of Petroflex	



LANXESS Fact Book – Overview

2008-2010: resuming growth after responsible crisis management and future orientation in rough times



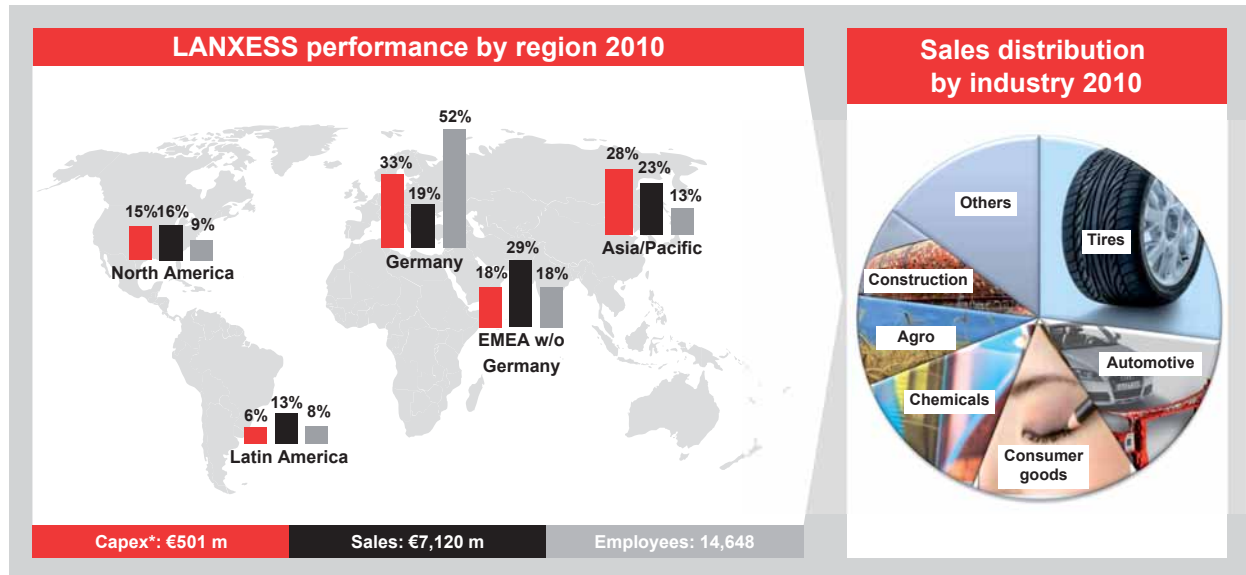
LANXESS Fact Book – Overview

Portfolio transformation towards higher earnings growth

Divested Acquired	Year	Leadership Position	Cyclicality	Profitability Expectation
Fibers	2005	Weak	High	Low
Paper	2005	Moderate	Moderate	Medium
Textile Processing Chem.	2006	Weak	Moderate	Medium
Lustran Polymers	2007	Good	High	Low
CISA (LEA)	2006	Good	Low	High
Petroflex (PBR)	2007	Good	Low	High
Jinzhuo Chemicals (IPG)	2008	Good	Moderate	High
Gwalior Chemicals (BAC)	2009	Good	Low	High
Jiangsu Polyols (BAC)	2009	Good	Low	High
Darmex (RCH)	2011	Good	Low	High
Syngenta Mat. Prot. (MPP)	2011	Good	Low	High
DSM EPDM (TRP)	2011	Good	Moderate	High

LANXESS Fact Book – Overview

Worldwide present serving a broad customer range with varying demand patterns



*net of finance lease and net of projects financed by customers

LANXESS Fact Book – Overview

LANXESS – Improvement trend of financials, based on strategy implementation

	2003	2004	2005	2006	2007	2008	2009	2010
EBITDA* [€ m]	311	447	581	675	719	722	465	918
Net financial debt [€ m]	1,429	1,135	680	511	460	864	794	913
Net financial debt / EBITDA*	4.6x	2.5x	1.2x	0.8x	0.6x	1.2x	1.7x	1.0x
Gearing [%]	128	101	54	36	30	65	55	52
Underlying EPS**	(2.23)	0.65	1.19	2.69	3.36	3.44	1.31	4.81
Dividend [€]				0.25	1.00	0.50	0.50	0.70

Ongoing performance improvement

*pre exceptionals; **EPS pre exceptionals, based on actual taxrate, 2008 data adjusted for change in pension accounting

LANXESS Fact Book – Overview

Agenda

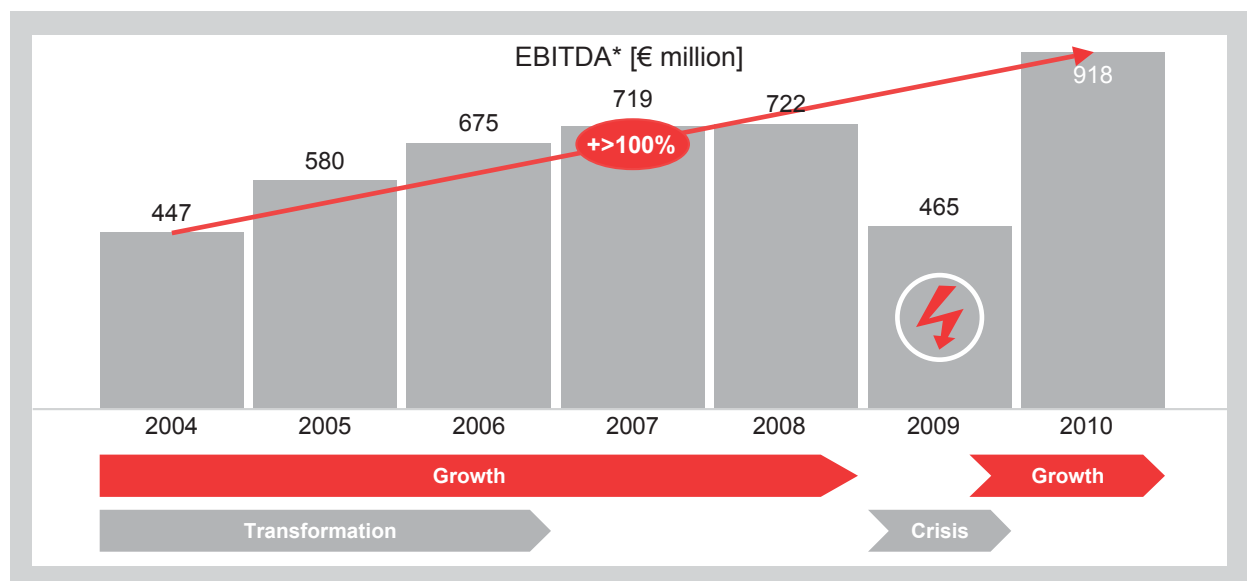
1. LANXESS – Energizing Chemistry

- Overview
- **Strategy**
- Innovation
- Corporate Responsibility

2. Business Segments

3. Financials


2004-2010 transformation and growth: + >100% EBITDA*



*pre exceptionals

LANXESS Fact Book – Strategy

Sustainable success based on LANXESS DNA



- Technology-driven specialty chemical portfolio
- Focus on “Green Chemistry”

- Global footprint
- Targeted investment in growth markets

- Best-in-class asset base
- Globally competitive product portfolio

- Effective management of complexity
- Entrepreneurial performance-driven culture

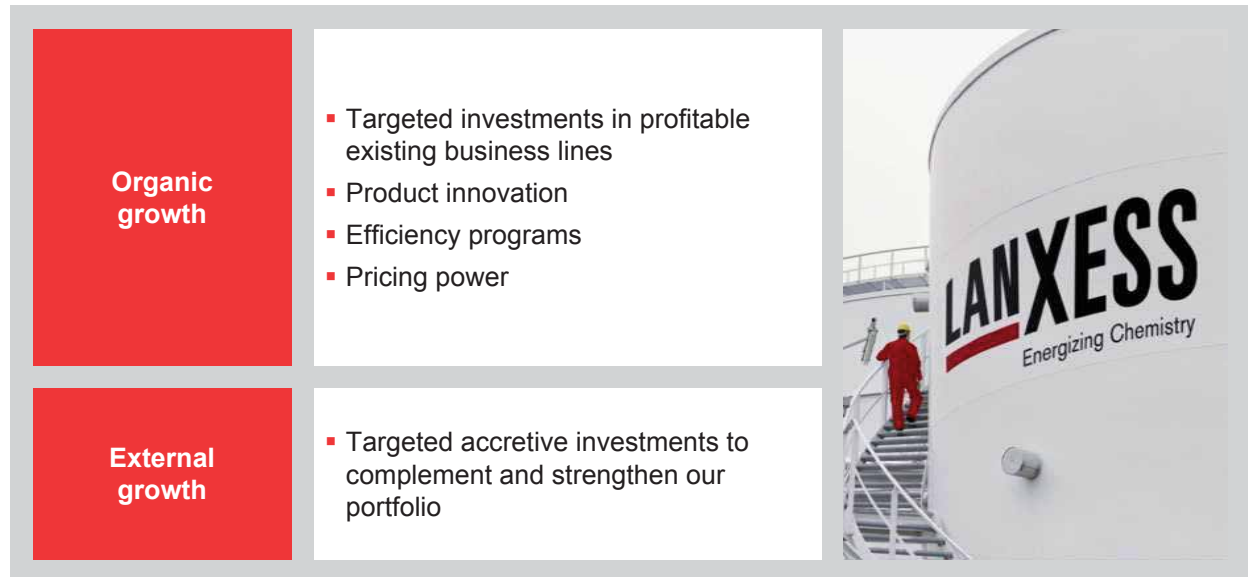
LANXESS Fact Book – Strategy

LANXESS capitalizing on global megatrends

<p>Mobility</p> 	<p>Agriculture</p> 
<p>Urbanization</p> 	<p>Water</p> 

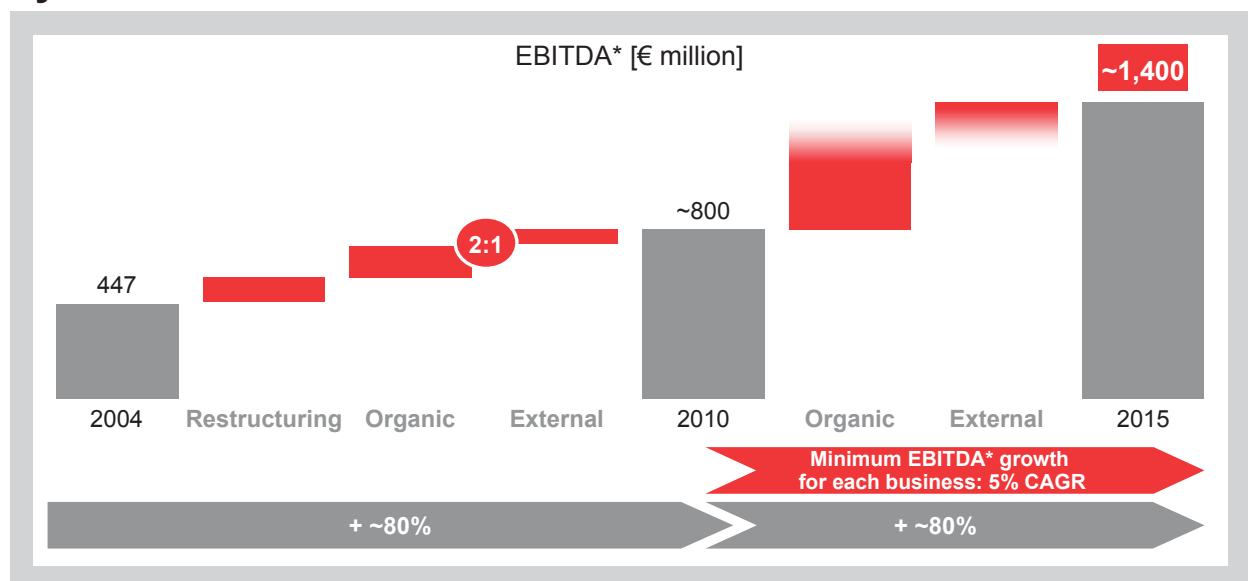
LANXESS Fact Book – Strategy

Dual track growth strategy



LANXESS Fact Book – Strategy

~€1.4 bn EBITDA* through disciplined and targeted growth by 2015



*pre exceptionals

LANXESS Fact Book – Strategy

Ambitious growth target for 2015



LANXESS Fact Book – Strategy

Agenda

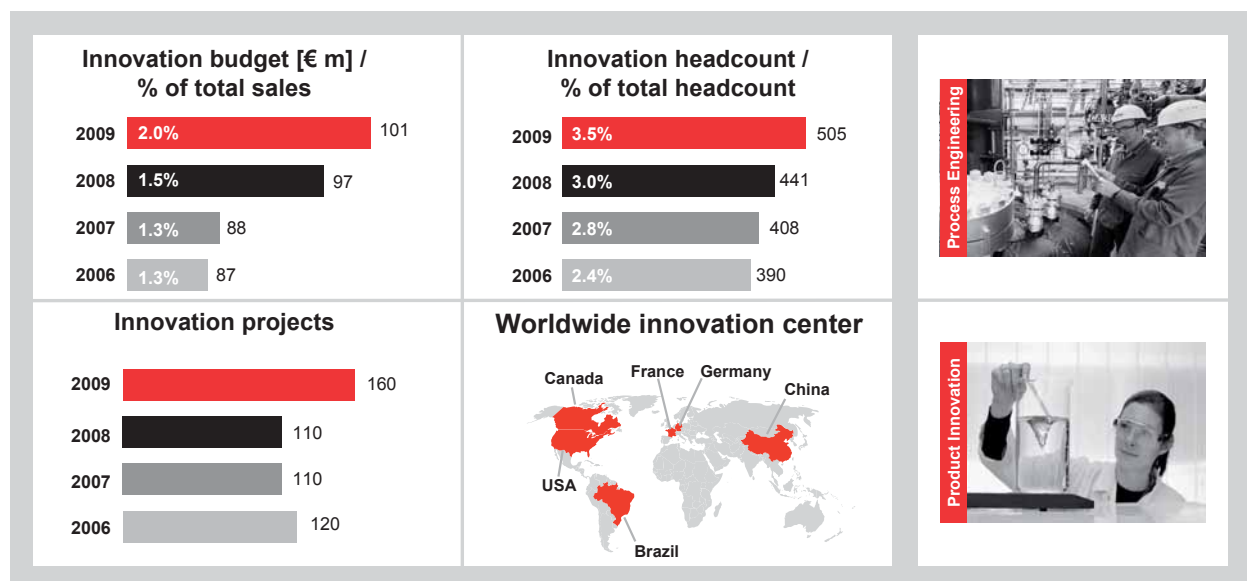
1. LANXESS – Energizing Chemistry

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2. Business Segments

3. Financials

Innovation as key element in the LANXESS success story



Innovation culture drives LANXESS success

R&D setup at LANXESS

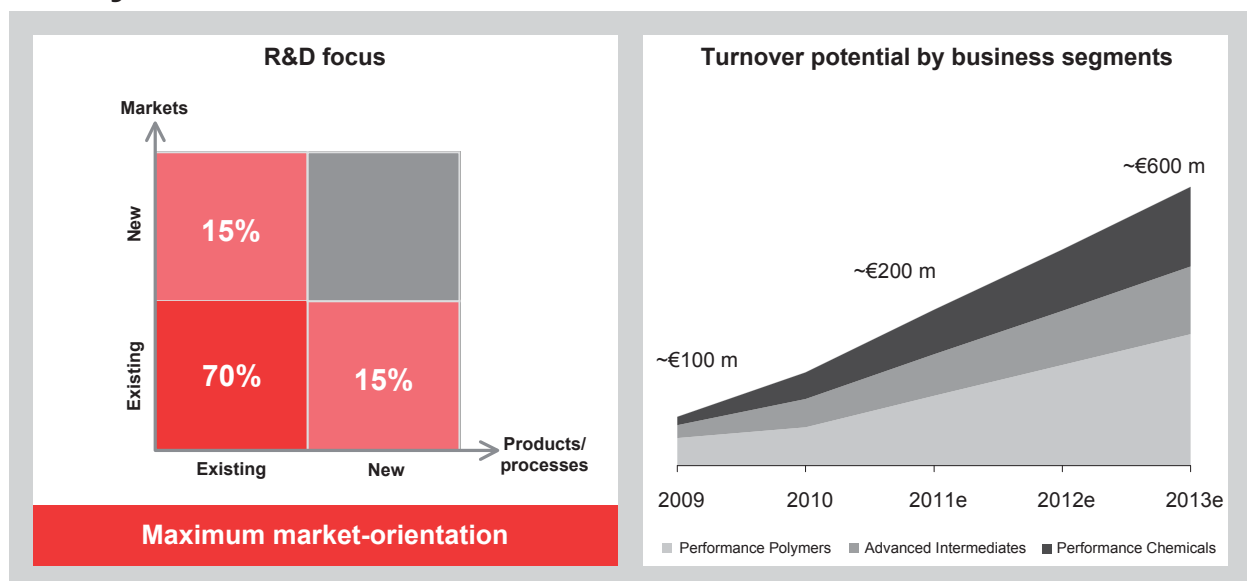
- R&D conducted in each business unit for maximum customer and market proximity
- Central coordination department boosting interaction and knowledge sharing between business units
- First-class support departments ensure optimal implementation of projects
- Integration of existing development networks
- Focus on quick time-to-market
- Optimized project management for maximum added value with minimum workload
- In 2009 LANXESS had a total of 84 major research partnerships (universities: 37, suppliers or customers: 38, research institutes: 9)

80% of R&D projects are market-ready within two years



LANXESS Fact Book – Innovation

Maximum market-orientation fosters turnover potential of nearly €600 m till 2013



LANXESS Fact Book – Innovation

Agenda

1. LANXESS – Energizing Chemistry

- Overview
- Strategy
- Innovation
- **Corporate Responsibility**

2. Business Segments



3. Financials

Corporate Responsibility at LANXESS – Valuable for business and for society



Water – LANXESS with a key role in resolving the world’s water issues

Water – The crude oil of the 21st century



<p>Importance to LANXESS</p>  <ul style="list-style-type: none"> ▪ Over a billion people without access to clean drinking water thus water will globally become one of the most important and failed resources over long term ▪ With its know-how and innovative water treatment products, LANXESS plays an important role in solving global water problems 	<p>LANXESS contribution</p>  <ul style="list-style-type: none"> ▪ Innovative products: LANXESS products used to conserve, transport, clean and save water globally, e.g. LANXESS ion exchange resins ▪ Stewardship: efficient use of water due to highly modern facilities and optimized processes, e.g. around 50% water savings in Porto Feliz/Brazil ▪ Responsibility programs: e.g. by support of AMREF* LANXESS establishes water supply for nearly 10,000 students in Tanzania
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*AMREF = African Medical & Research Foundation

LANXESS Fact Book – Corporate Responsibility

Climate Protection – LANXESS with important contribution to this long-term challenge

Climate Protection – The number 1 challenge

<p>Importance to LANXESS</p>  <ul style="list-style-type: none"> ▪ Climate protection is at the top of world political agenda: curtailing consequences of greenhouse effect as top priority of industry and society today ▪ Climate protection is a long-term challenge and helps to assure the future of the company ▪ LANXESS firmly committed to meeting its climate protection responsibilities, invests in sustainable solutions 	<p>LANXESS contribution</p>  <ul style="list-style-type: none"> ▪ Innovative Products: LANXESS offers innovative products and solutions to reduce CO₂ emissions, e.g. rubber innovations for high-performance tires ▪ Climate-friendly production: reduction of own direct emissions as well as conserving natural resources and use of renewable energy sources where possible ▪ Climate protection target for Germany: emission reduction of 80% by 2012 compared to 2007 already achieved in 2009
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LANXESS Fact Book – Corporate Responsibility

Education – LANXESS invests in the future and promotes young talents around the world

Education – Our most important resource

<p>Importance to LANXESS</p>  <ul style="list-style-type: none">▪ Demand for highly trained skilled workers increasing in contrast to decreasing proportion of young people in population. Even today there is a lack of skilled workers, particularly in the field of natural sciences▪ Qualified young employees as basic prerequisite for the sustained success of a company anywhere in the world▪ LANXESS acknowledges its responsibility with local education initiatives at its operating locations	<p>LANXESS contribution</p>  <ul style="list-style-type: none">▪ LANXESS wants young people to recognize the fascination of natural sciences and technology at an early age▪ LANXESS invests in education in expertise on national and international level, e.g. Education Initiative Germany, sponsoring of various education initiatives in Argentina
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Business Segments – Performance Polymers

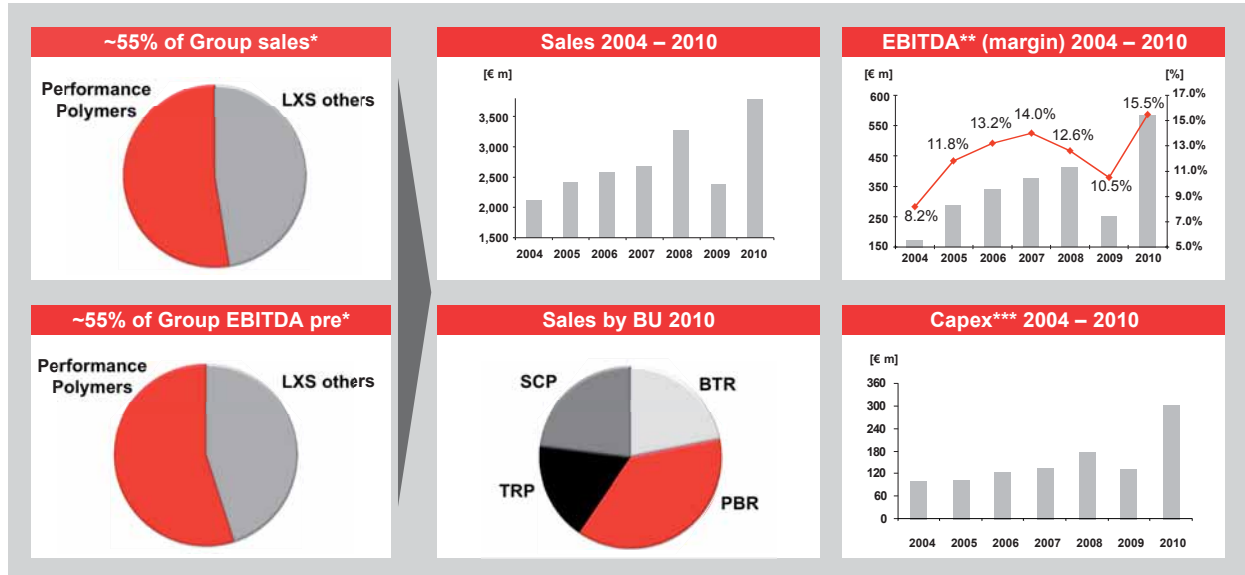
Agenda

1. LANXESS – Energizing Chemistry
2. Business Segments
 - Performance Polymers
 - Advanced Intermediates
 - Performance Chemicals
3. Financials

Performance Polymers: leading market positions with strong and diversified portfolio

Performance Polymers			
<p>Butyl Rubber</p> 	<p>Performance Butadiene Rubbers</p> 	<p>Technical Rubber Products</p> 	<p>Semi-Crystalline Products</p> 
<p>One of the world's leading manufacturers of high-quality butyl and halobutyl rubbers which are impermeable to gas and moisture for tire and rubber industries</p>	<p>One of the leading manufacturers of synthetic rubbers (PBR, E-SBR and S-SBR) which are used for manufacturing modern, fuel-efficient tires and many other products (e.g. footwear)</p>	<p>Offers five types of high-performance technical rubber products for a wide range of applications: seals, hoses, profiles, cable sheathing, special films and adhesives</p>	<p>Provides high-tech plastics for a broad variety of customer industries (automotive, electronics, etc.) and is committed to the development of products and new applications</p>

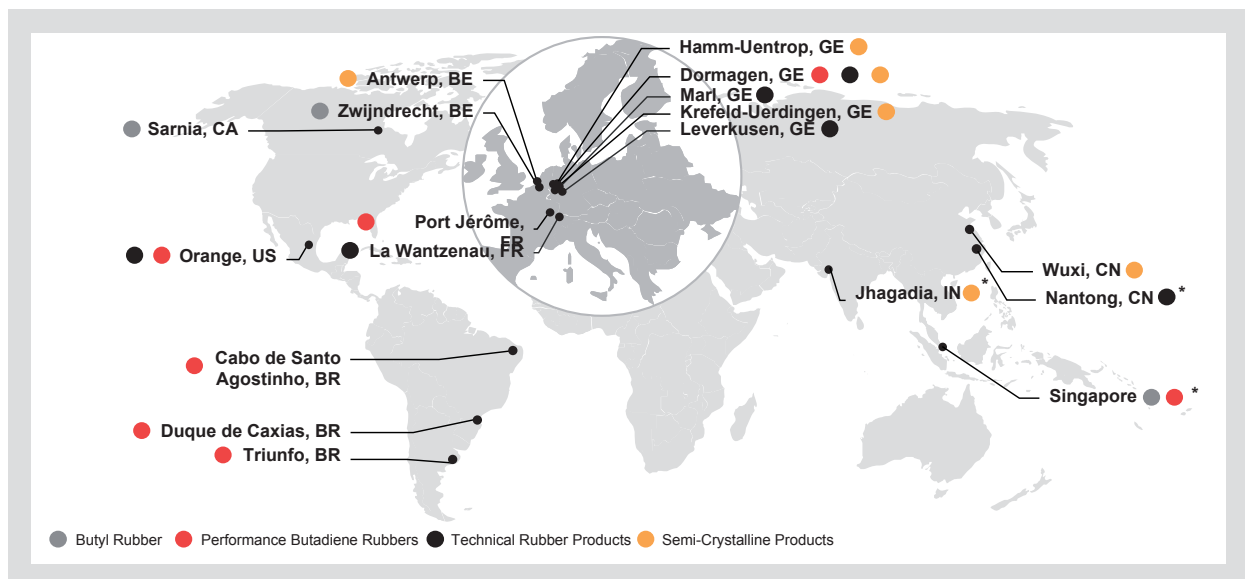
Performance Polymers: one strong pillar of LANXESS businesses



*operating segments; **pre exceptionals; ***net of finance lease

LANXESS Fact Book – Performance Polymers

Serving global markets with world-class manufacturing base



*in construction

LANXESS Fact Book – Performance Polymers

Performance Polymers: globally No. 1-3 in synthetic rubber and polyamide

Megatrends: mobility and urbanization

- Mobility, growing population in Asia
- High-performance tires, tire labeling
- Vehicle weight reduction
- Growing requirements for high-quality medical packaging

Globally competitive position

- Global technology leader in synthetic rubber and polyamide
- Strong global production footprint
- Excellent track record of price pass-through

Market orientation

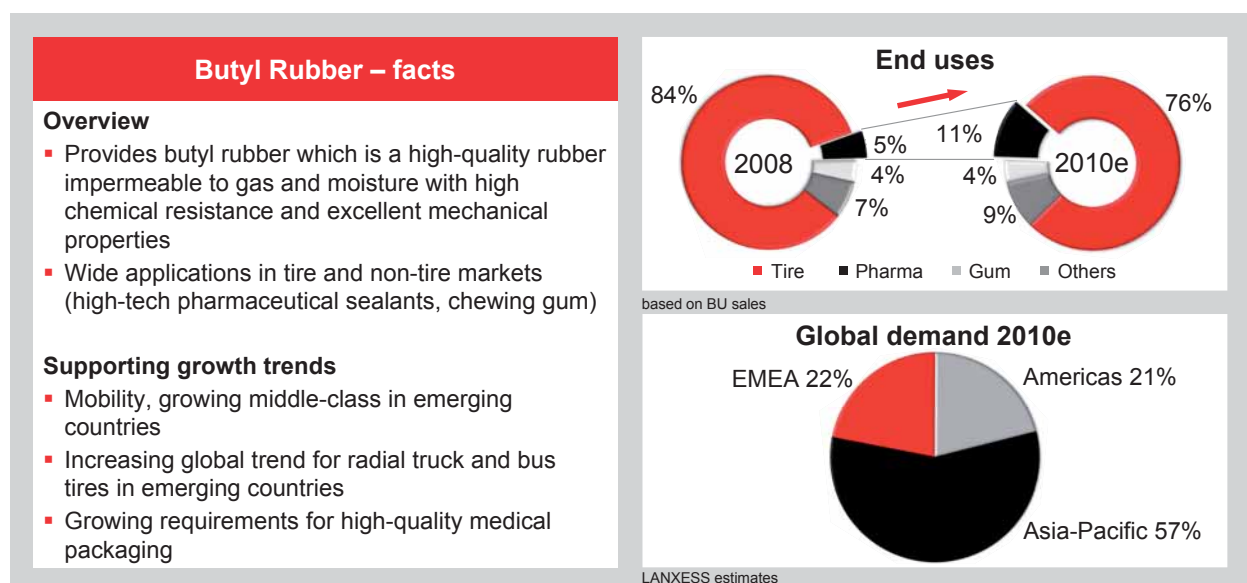
- Premium-quality products across entire portfolio
- Customer proximity: moving with customers to Asia
- Major end uses: tire and automotive industries

LANXESS Fact Book – Performance Polymers

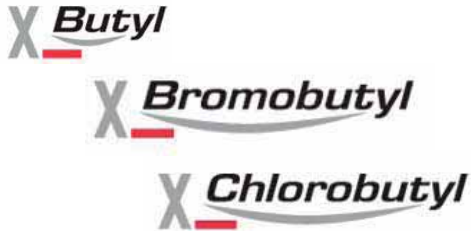

Agenda

1. LANXESS – Energizing Chemistry
2. Business Segments
 - Performance Polymers
 - Butyl Rubber
 - Performance Butadiene Rubbers
 - Technical Rubber Products
 - Semi-Crystalline Products
 - Advanced Intermediates
 - Performance Chemicals
3. Financials

Butyl Rubber: a market leader in synthetic rubber

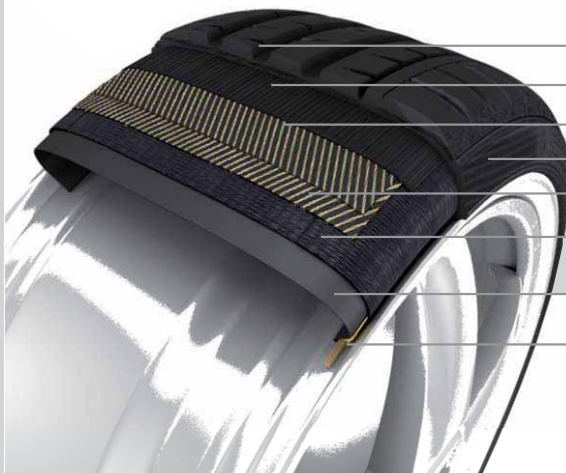


LANXESS provides regular and halogenated butyl rubber

Products	Applications
<p>Products</p> <ul style="list-style-type: none"> ▪ Regular butyl rubber (Butyl) ▪ Halobutyl rubber (Chlorobutyl, Bromobutyl) <div style="text-align: center;">  </div>	

LANXESS Fact Book – Performance Polymers: Butyl Rubber

The use of halobutyl rubber in innerliners made modern tires possible

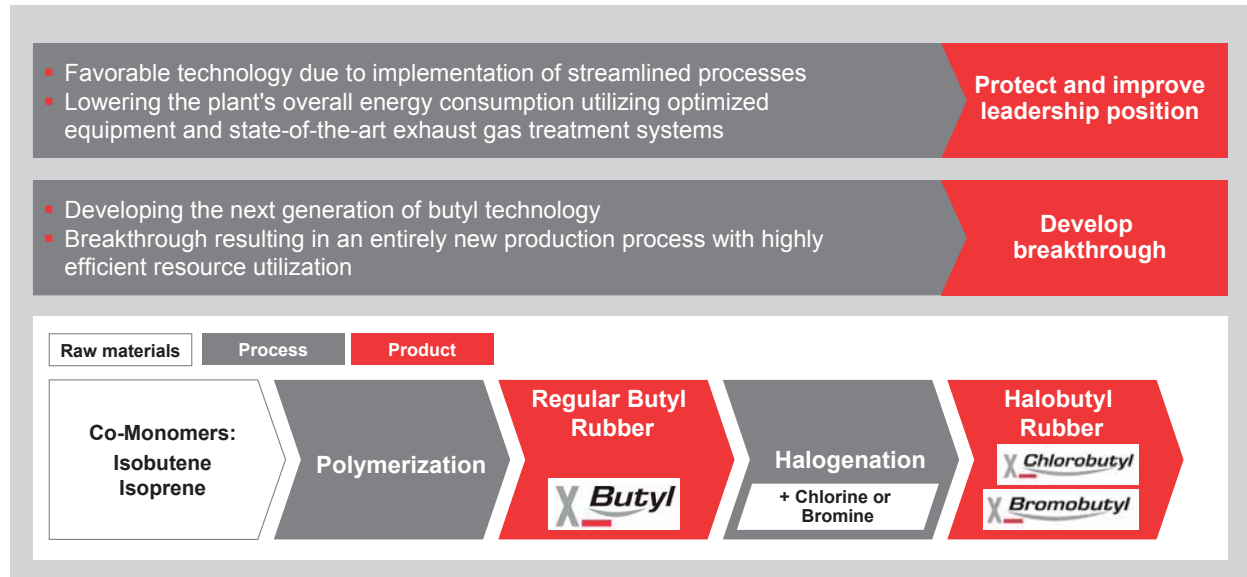


Tread	→ influences grip, fuel economy and noise
Undertread	→ joins the tread to steel belt and carcass
Upper steel belt	→ influences driving features and shape
Sidewall	→ protects carcass from damage
Lower steel belt	→ influences the driving features and shape
Carcass	→ gives support and shape
Innerliner	→ replaces the tube
Steel wires	→ keeps the tire safely attached to wheel rim

Made of BU BTR rubber

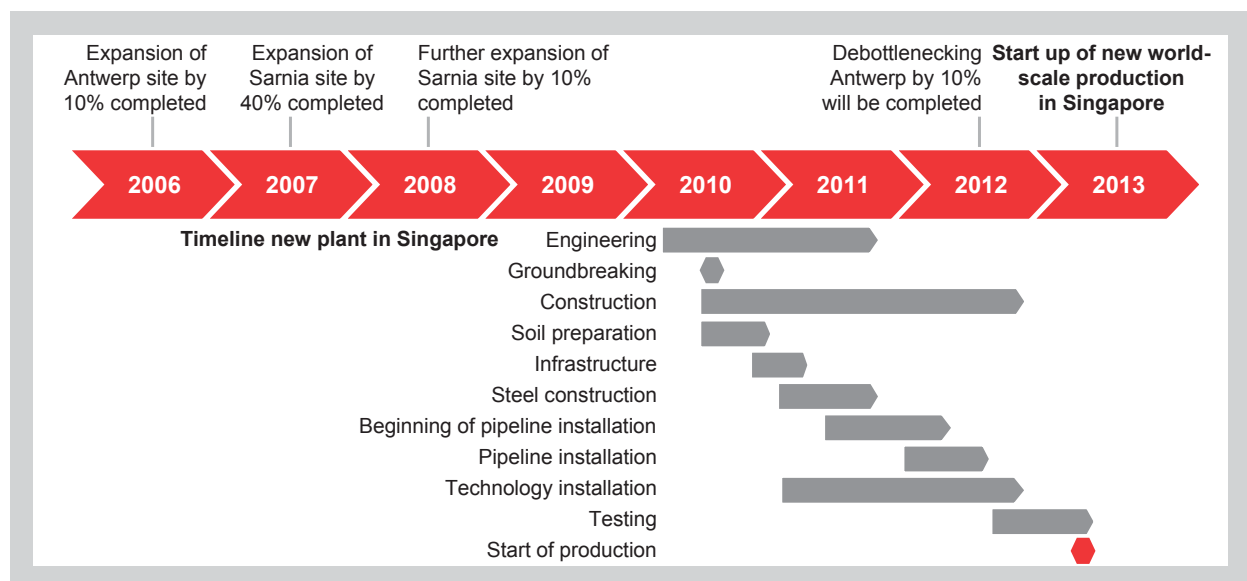
LANXESS Fact Book – Performance Polymers: Butyl Rubber

New plant with best-in-class technology



LANXESS Fact Book – Performance Polymers: Butyl Rubber

Continuous investments to profit from growing demand



LANXESS Fact Book – Performance Polymers: Butyl Rubber

Butyl Rubber: growing markets with huge demand, especially in Asia-Pacific

Market environment

Total global demand (2010e)

- ~€2.2 bn

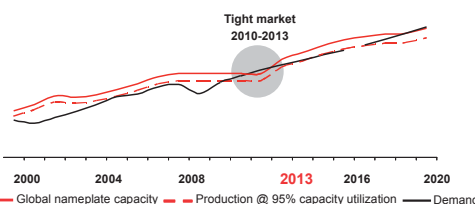
Market development (2011-2015)

- Overall CAGR: 3-4%
 - Asia-Pacific: ~5%
 - EMEA: ~2%
 - Americas: ~2.5%

Main competitors

- ExxonMobil Chemicals
- Nizhnekamskneftekhim
- Sibur (Togliattikauchuk)
- Sinopec (Yanhua)

Supply / demand for butyl rubber



source: CMAI, SRI, LANXESS estimates 2010

LANXESS capacities

- ~400kt/y (including all announced investments)

LANXESS production sites

- Zwiindrecht, Belgium
- Sarnia, Canada
- Singapore (2013)

LANXESS Fact Book – Performance Polymers: Butyl Rubber

Butyl Rubber: a leading market and technology position as well as strong customer relationships



Strengths / opportunities

- Leading producer of butyl rubber
- Leading technology in halogenated butyl rubber
- Cost efficiency due to world-scale plants
- Continuously investing in the future, e.g. Antwerp expansion, Singapore plant
- Strong customer relationship based on strategic collaborations with top manufacturers to meet specific customer needs
- Leverage a leading market position in overall market for butyl rubber
- Investing in renewable raw material sources



Weaknesses / challenges

- Change of air-retention-technology is a potential threat
- Increasing Asian and Russian competition
- Dependency on tire business / transportation activities

LANXESS Fact Book – Performance Polymers: Butyl Rubber

Agenda

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Performance Butadiene Rubbers: leading market position

Performance Butadiene Rubbers – facts

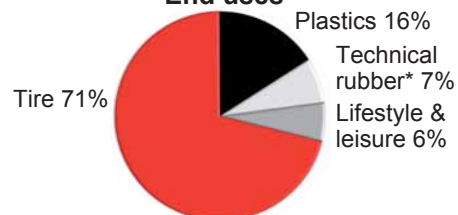
Overview

- The world's leading manufacturer of performance polymers
 - polybutadiene rubber (PBR)
 - styrene-butadiene-rubber (solution and emulsion, S-SBR and E-SBR)

Supporting growth trends

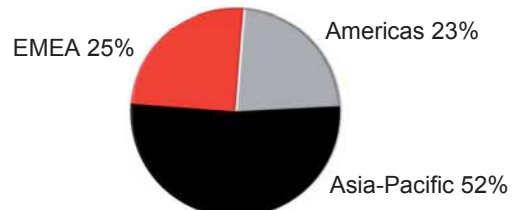
- Mobility
 - tire labeling
 - growth in retreading
 - energy efficient tires, e-mobility
- Population growth, urbanization

End uses



based on BU sales 2009



Global demand 2010e



LANXESS estimates

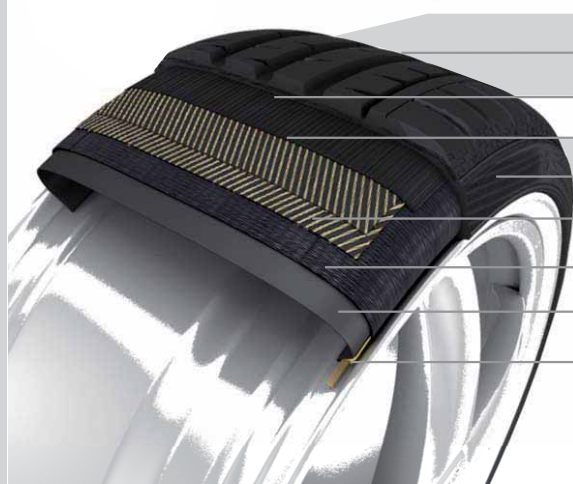
*e.g. industrial and mining

Performance Butadiene Rubbers offers top products meeting today's and tomorrow's requirements

Products	Applications
<p>Products</p> <ul style="list-style-type: none"> ▪ PBR: polybutadiene rubber (Buna™ CB) ▪ S-SBR: solution styrene-butadiene rubber (Buna™ VSL, Buna™ BL) ▪ E-SBR: emulsion styrene-butadiene rubber (Buna™ SE) 	

LANXESS Fact Book – Performance Polymers: Performance Butadiene Rubbers

Performance Butadiene Rubbers shapes performance tires

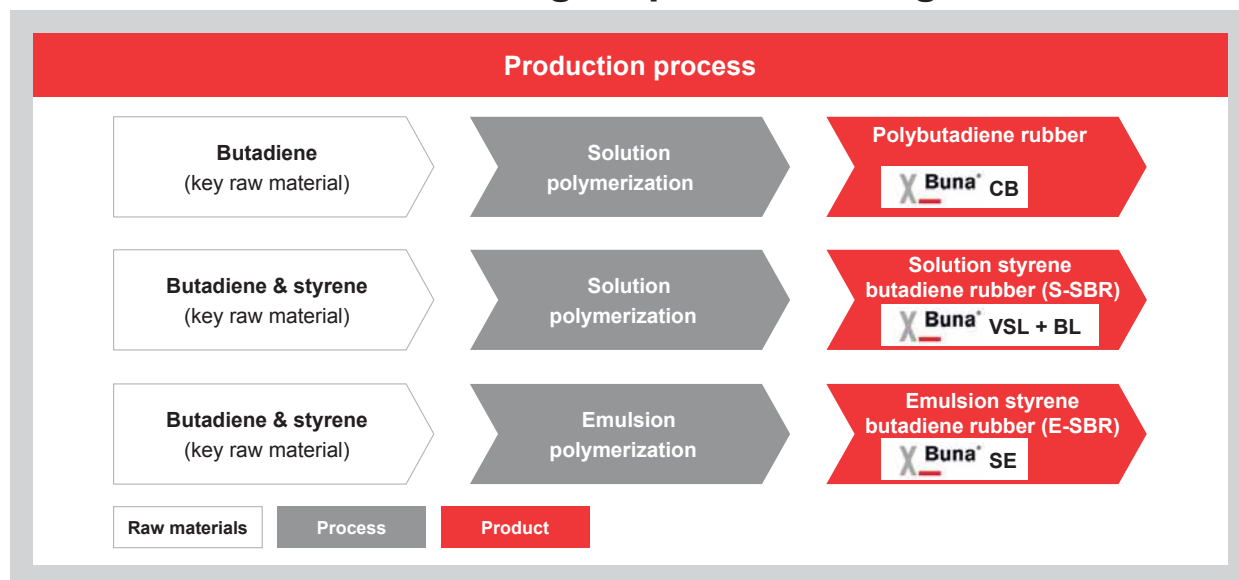


Tread	→ influences grip, fuel economy and noise
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Made of BU PBR rubber

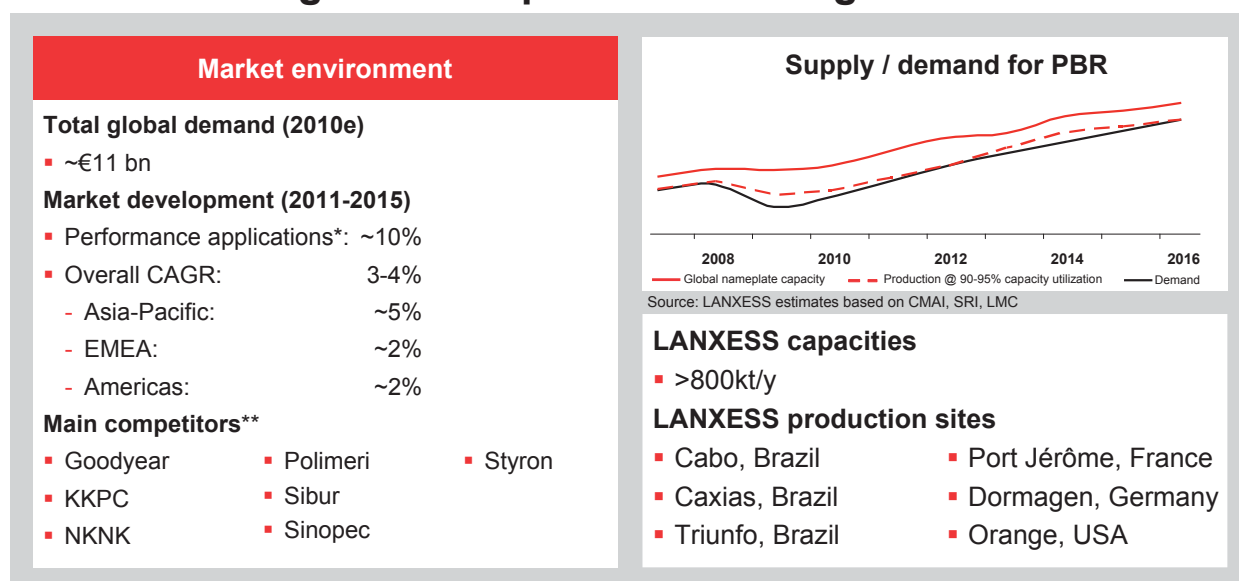
LANXESS Fact Book – Performance Polymers: Performance Butadiene Rubbers

Offers a complete range of polybutadiene and styrene butadiene rubbers, focusing on performance grades



LANXESS Fact Book – Performance Polymers: Performance Butadiene Rubbers



PBR: growing markets with huge demand, especially in the Asia-Pacific region in the performance segment



*markets for SSBR and Nd-PBR; **merchant market

LANXESS Fact Book – Performance Polymers: Performance Butadiene Rubbers

PBR: broad and innovative product portfolio combined with excellent reputation and prospects

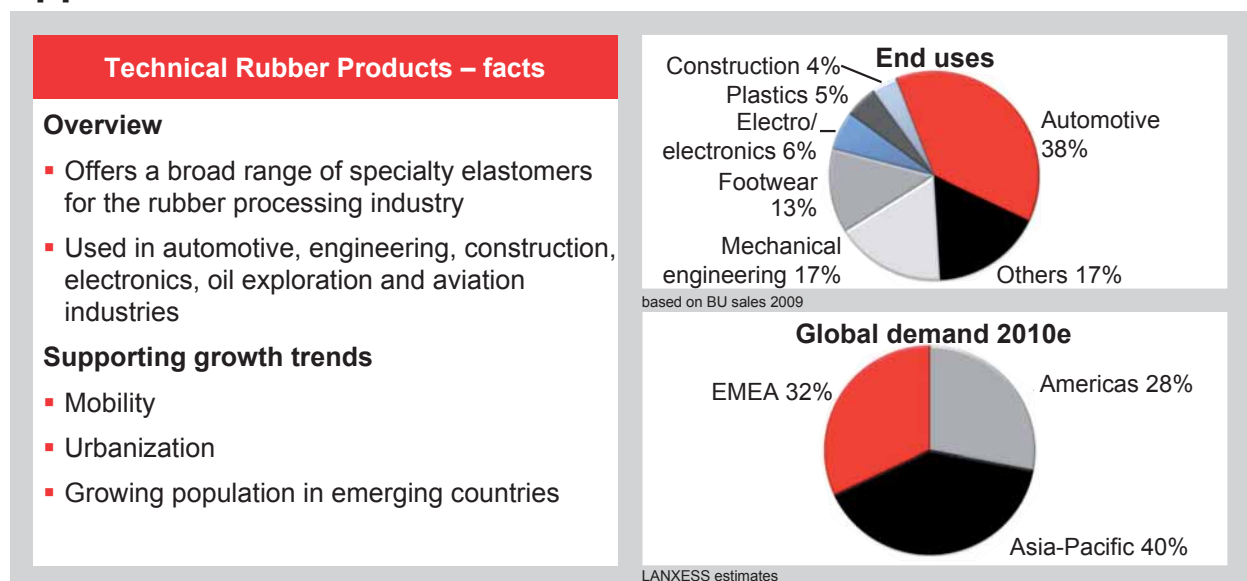
 Strengths / opportunities	 Weaknesses / challenges
<ul style="list-style-type: none">▪ Broad and innovative product portfolio offered to both tire manufacturers and rubber consuming industries▪ Strategic focus on high-performance products such as Nd-PBR and S-SBR▪ Product portfolio ideally suited to satisfy the growing needs for performance products in APAC▪ Reputation with top customers for reliable performance and delivery▪ World-scale plants in EMEA, LATAM and NAFTA with modern, cost efficient production▪ Strategic raw material (butadiene) is secured structurally and track record in price pass-through	<ul style="list-style-type: none">▪ Dependency on tire business / transportation activities▪ Continuously meeting growing global demand for our performance products▪ Currently no manufacturing facility in APAC▪ Manage raw material price volatility for butadiene

LANXESS Fact Book – Performance Polymers: Performance Butadiene Rubbers



Agenda

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 - Performance Butadiene Rubbers
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Technical Rubber Products: broad spectrum of products and applications

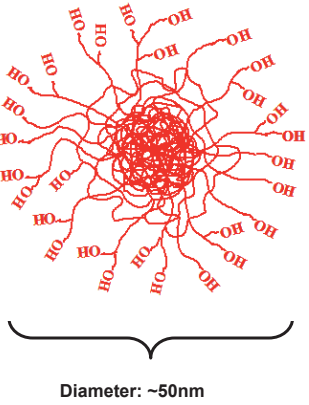


Technical Rubber Products: extensive portfolio of synthetic rubbers

Products	Applications
<p>Products (by share)</p> <ul style="list-style-type: none"> ▪ NBR: nitrile-butadiene rubber (Krynac®, Perbunan®) ▪ EPDM: ethylene-propylene diene rubber (Buna™ EP) ▪ CR: chloroprene rubber (Baypren®) ▪ HNBR: hydrogenated nitrile-butadiene rubber (Therban®) ▪ EVM: ethylene-vinyl acetate rubber (Levapren®, Levamelt®) 	

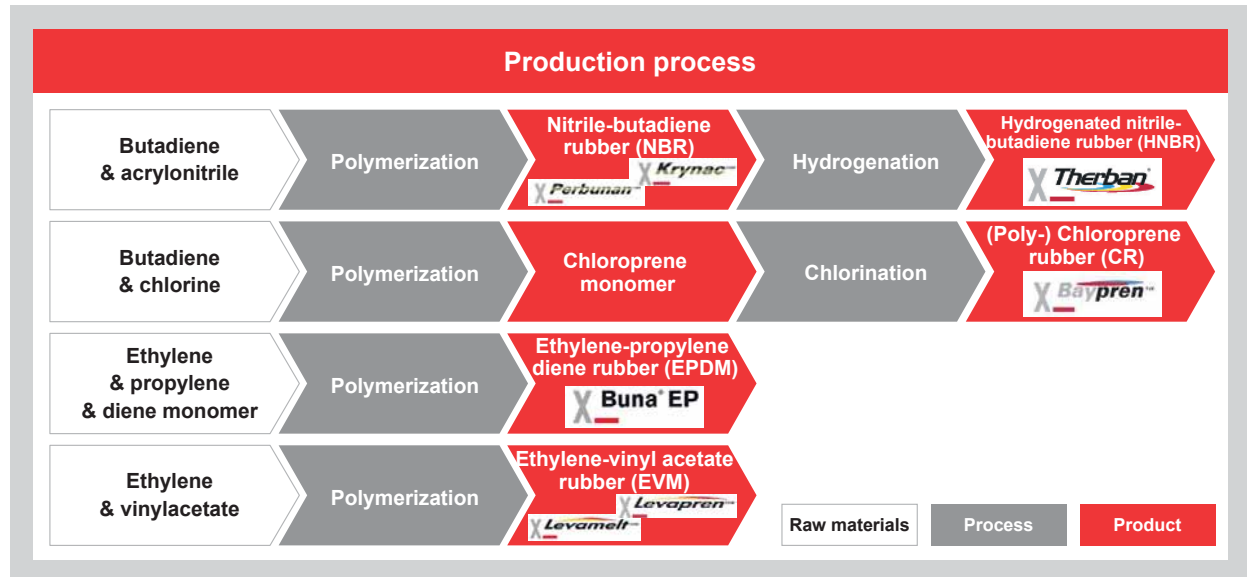
LANXESS Fact Book – Performance Polymers: Technical Rubber Products

Nanoprene® – New product for several industrial applications

Think big – Add nano	Nanoprene®
<ul style="list-style-type: none"> ▪ The use of Nanoprene® improves the material properties of elastomer and thermoplastic materials ▪ Different Nanoprene® grades can be used to satisfy different requirements for various tire components (side wall, carcass, tread, etc.) ▪ Nanoprene® consists of spherical particles with a diameter in the range of 50nm ▪ Based on the monomers styrene and butadiene 	 <p style="text-align: center;">Diameter: ~50nm</p>

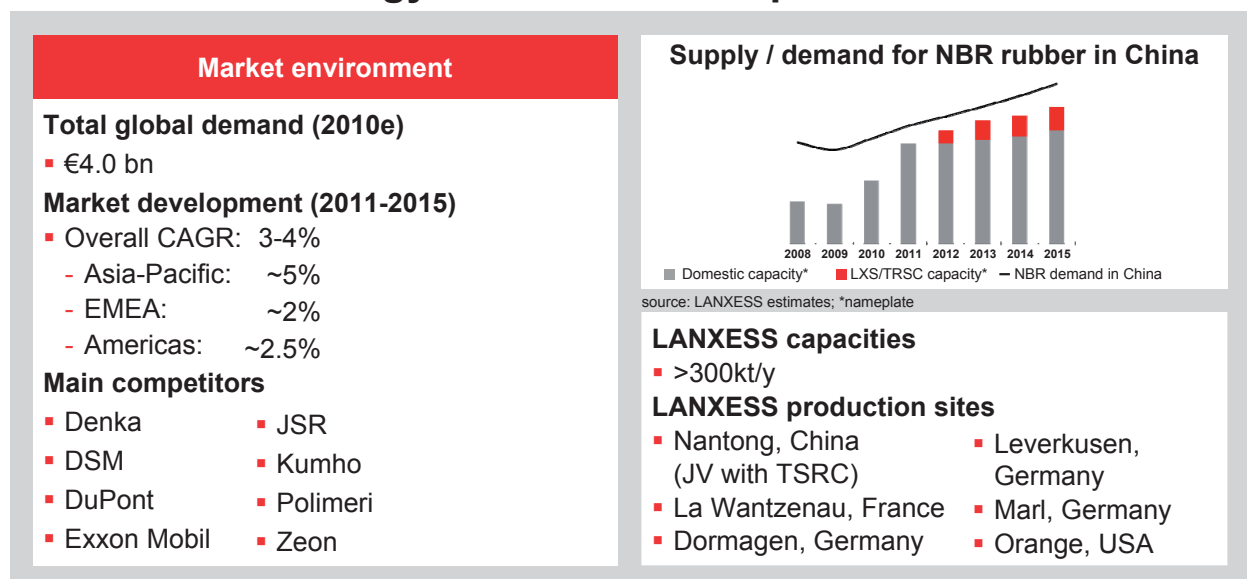
LANXESS Fact Book – Performance Polymers: Technical Rubber Products

A leading supplier of specialty elastomers for the rubber industry





LANXESS Fact Book – Performance Polymers: Technical Rubber Products

Technical Rubber Products: leading market positions, state-of-the-art technology and world-scale plants



LANXESS Fact Book – Performance Polymers: Technical Rubber Products

Technical Rubber Products: strong innovation capabilities combined with world-scale plants to enable future growth

 Strengths / opportunities	 Weaknesses / challenges
<ul style="list-style-type: none">▪ World-scale plants with state-of-the-art production facilities and processes (→ attractive cost position)▪ Broad and deep product portfolio with strong brand marketing and strong innovation capability▪ Strong position and high innovation potential in premium products EVM and HNBR▪ EPDM-market fundamentals improving▪ NBR: broadest product portfolio incl. tailor-made grades▪ Broad customer basis	<ul style="list-style-type: none">▪ Consistent pass-through of raw material price increases▪ Accompany market consolidation and migration to Asia▪ Substitution by alternative technologies in end applications (gear belt vs. linkage)

LANXESS Fact Book – Performance Polymers: Technical Rubber Products

Agenda

1. LANXESS – Energizing Chemistry

2. Business Segments

- Performance Polymers

Butyl Rubber

Performance Butadiene Rubbers

Technical Rubber Products

Semi-Crystalline Products

- Advanced Intermediates

- Performance Chemicals

3. Financials

Semi-Crystalline Products: high-value added product portfolio and upstream-integration in strategic raw materials

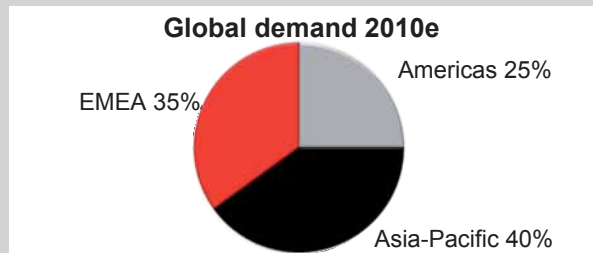
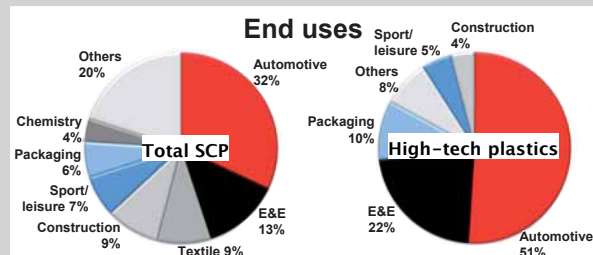
Semi-Crystalline Products – facts

Overview

- SCP provides
 - a wide range of PA* and PBT** based high-tech plastics
 - a global production and R&D network for high-tech plastics
 - a cost leadership position in strategic raw materials caprolactam, glass fibers and adipic acid due to world-scale production assets in Europe

Supporting growth trends


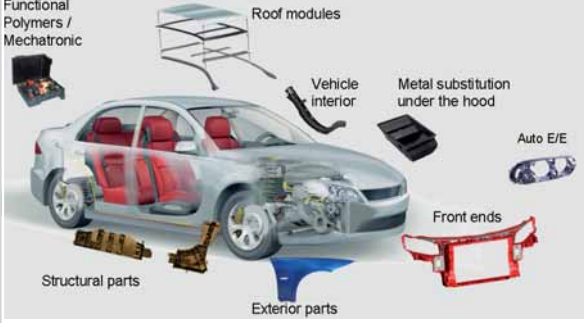
- Fuel efficiency and vehicle weight reduction: current content of high-tech plastics per cars ~14kg – growth of high-tech plastics replacing metal estimated at 4% p.a. between 2010 and 2020
- Mobility, growing car demand, especially in BRIC leading to annual car assembly growth of >3%



LANXESS estimates: PA and PBT high-tech plastics by volume

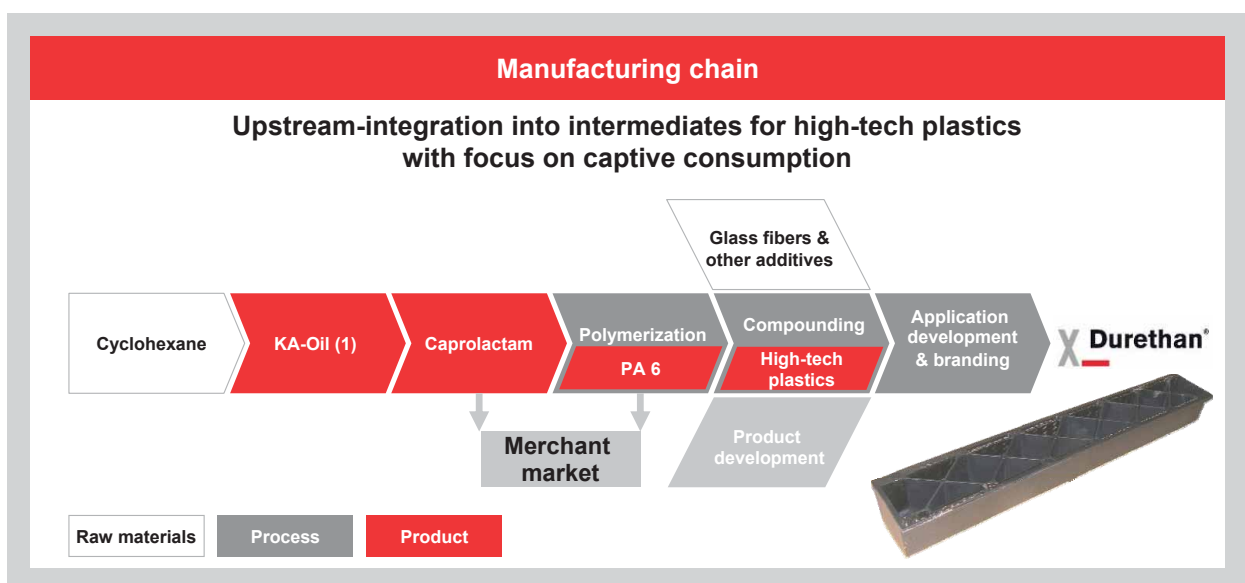
*polyamide; **polybutylene terephthalate

Strong brands in high-tech plastics: Durethan® and Pocan®

Products	Applications
<p>Products</p> <ul style="list-style-type: none"> ▪ Durethan® A – based on polyamide 6.6 ▪ Durethan® B – based on polyamide 6 ▪ POCAN® – based on polybutylene terephthalate (PBT) ▪ Available types for all three: non-reinforced, glass fiber reinforced, glass-bead and mineral-filled, glass fiber reinforced / mineral-filled, flame retardant, and polymer and elastomer-modified grades ▪ Glass fibers ▪ Plastics intermediates caprolactam and adipic acid ▪ Polyamide-based monofilament products <p style="text-align: center;">  </p>	

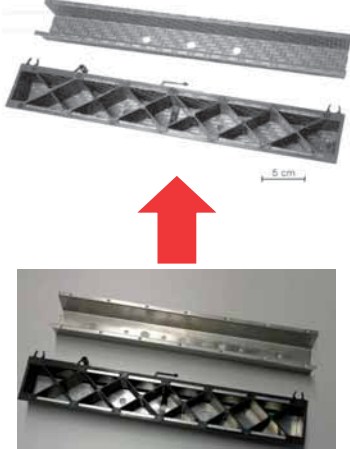
LANXESS Fact Book – Performance Polymers: Semi-Crystalline Products

Semi-Crystalline products’ main focus on polyamide chain



LANXESS Fact Book – Performance Polymers: Semi-Crystalline Products

Strength in design of structural components makes SCP a premium development partner to the automotive industry

New generation of hybrid technology	PA composite inserts
<ul style="list-style-type: none"> ▪ Hybrid technology with combination of injection molded Durethan and polyamide composite inserts <ul style="list-style-type: none"> - Low weight: weight reduction >10% over aluminum - Higher stiffness - Better impact performance - Possibility of complex designs - No corrosion and easier recycling ▪ Application leader: e.g. hoses and tubes for turbo charged engines, body components, oil pans, weight reduction of highest importance for e-mobility ▪ Material leader: e.g. flame retardant products in electrical engines, ECO grades for sustainable material solution 	

LANXESS Fact Book – Performance Polymers: Semi-Crystalline Products



Semi-Crystalline Products – Strong European market position with leverage effects in Asia

Market environment high-tech plastics	Demand growth for high-tech plastics*
<p>Total global demand (2010e)</p> <ul style="list-style-type: none"> ▪ ~€7 bn (PA + PBT high-tech plastics) <p>Market development* (2011 - 2015)</p> <ul style="list-style-type: none"> ▪ Overall CAGR: ~6% <ul style="list-style-type: none"> - Americas: ~5% - EMEA: ~3% - APAC: ~9% <p>Main established global competitors</p> <ul style="list-style-type: none"> ▪ BASF ▪ DSM ▪ DuPont ▪ Rhodia 	<p>LANXESS production sites</p> <ul style="list-style-type: none"> ▪ Antwerp, Belgium ▪ Wuxi, China ▪ Krefeld-Uerdingen, Germany ▪ Dormagen, Germany ▪ Hamm-Uentrop (JV), Germany ▪ Jhagadia, India (under construction)

*source: JD Powers 08/2010, LANXESS own estimates

LANXESS Fact Book – Performance Polymers: Semi-Crystalline Products

Semi-Crystalline Products: upstream-integration and focused investments enable attractive profitability and growth

 Strengths / opportunities	 Weaknesses / challenges
<p>High-tech plastics</p> <ul style="list-style-type: none"> ▪ Leading position in EMEA and further business strengthening in Asia ▪ Durethan® and Pocan® as strong brands in high-tech plastics ▪ Broad product portfolio with ideal price performance ratio ▪ Expertise and successful track record in application development and customized engineering to support long-term customer relationships ▪ Customized product development and expertise in compounding technology allow to maximize customer benefit ▪ Lean asset investments with regional focus <p>Intermediates</p> <ul style="list-style-type: none"> ▪ World-scale upstream-integration into caprolactam, adipic acid and glass fibers ▪ Cost leadership within world-scale assets due to economies of scale and logistical advantages 	<p>High-tech plastics</p> <ul style="list-style-type: none"> ▪ Repositioning of high-tech plastics business in Americas ▪ Short-term volatilities in demand, raw material prices, energy costs and exchange rates lead to major shifts in global supply and demand balances and short-term of balances pricing / margins ▪ Availability of special chemicals within high-tech plastics recipes <p>Intermediates</p> <ul style="list-style-type: none"> ▪ Manage global supply and demand in line with trade barriers and subsidies

LANXESS Fact Book – Performance Polymers: Semi-Crystalline Products

Business Segments – Advanced Intermediates

Agenda

1. LANXESS – Energizing Chemistry
2. Business Segments
 - Performance Polymers
 - **Advanced Intermediates**
 - Performance Chemicals
3. Financials

Advanced Intermediates: Basic Chemicals and Saltigo, strong and reliable partners for our customers

Advanced Intermediates

Advanced Industrial Intermediates



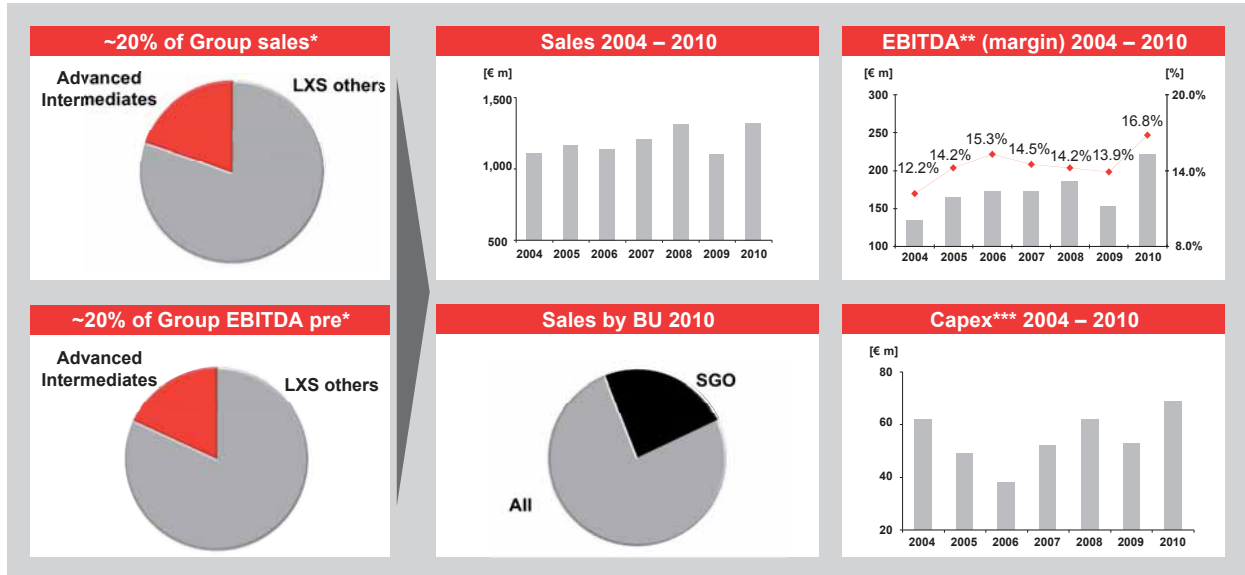
One of the world's leading suppliers of high-quality industrial chemicals (aromatics) which are extremely important for the manufacturing of a large number of chemical products, such as agrochemicals, dyestuffs and coatings

Saltigo



A major supplier on the custom synthesis market, providing state-of-the-art services to the agrochemicals, pharmaceuticals, and specialty chemicals industries. Saltigo is committed to support customers throughout the entire lifecycle of their products

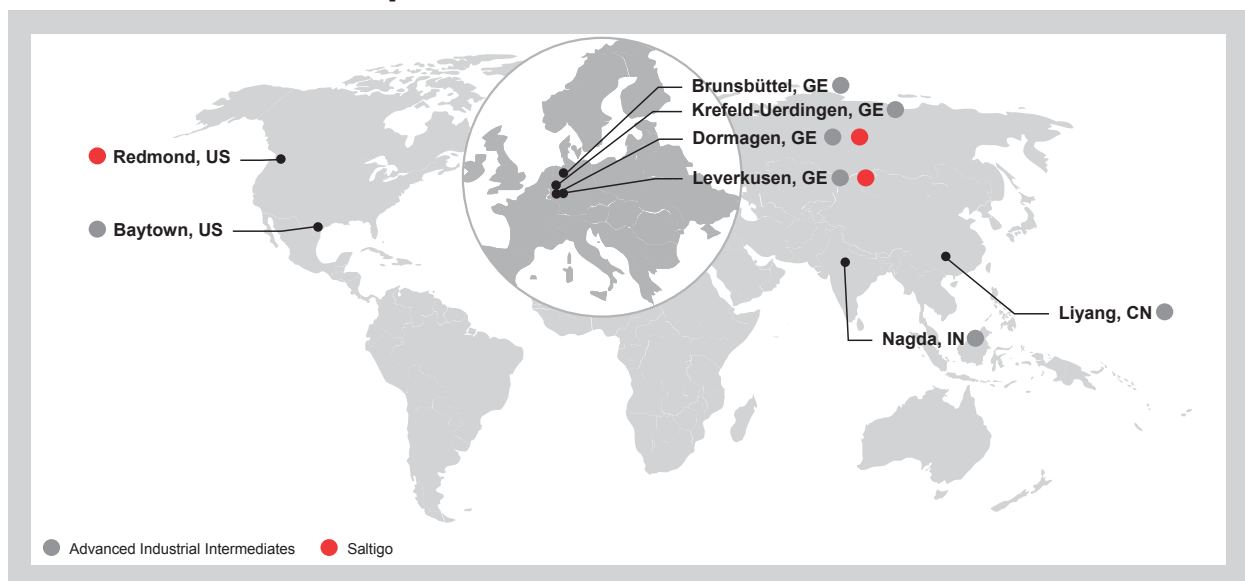
Advanced Intermediates: financials demonstrate business' resilience



*operating segments; **pre exceptionals; ***net of projects financed by customers

LANXESS Fact Book – Advanced Intermediates

Advanced Intermediates relies on manufacturing base with main focus in Europe



LANXESS Fact Book – Advanced Intermediates

Advanced Intermediates: in Europe number one to two in custom synthesis and basic chemicals

Megatrends: population growth & urbanization	<ul style="list-style-type: none">▪ Increasing grain demand and land scarcity▪ Need of farmers to raise yields▪ Food and feed demand growth by ~50% by 2030*
Globally competitive position	<ul style="list-style-type: none">▪ Unique, integrated manufacturing process provides BU All clear competitive advantage▪ Technology leadership and strong customer relationships based on established track record
Process orientation	<ul style="list-style-type: none">▪ Internal engineering for rapid capacity expansions▪ Integrated production facilities combined with competence in challenging chemistries

*source: Monsanto, July 2010

LANXESS Fact Book – Advanced Intermediates

Agenda

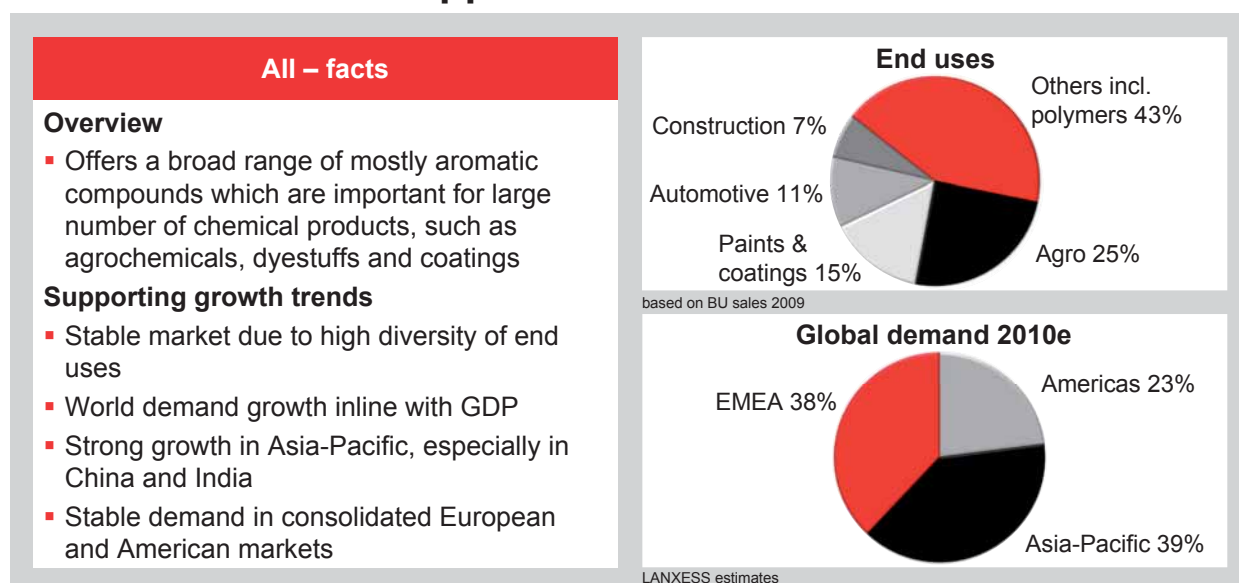
1. LANXESS – Energizing Chemistry

2. Business Segments

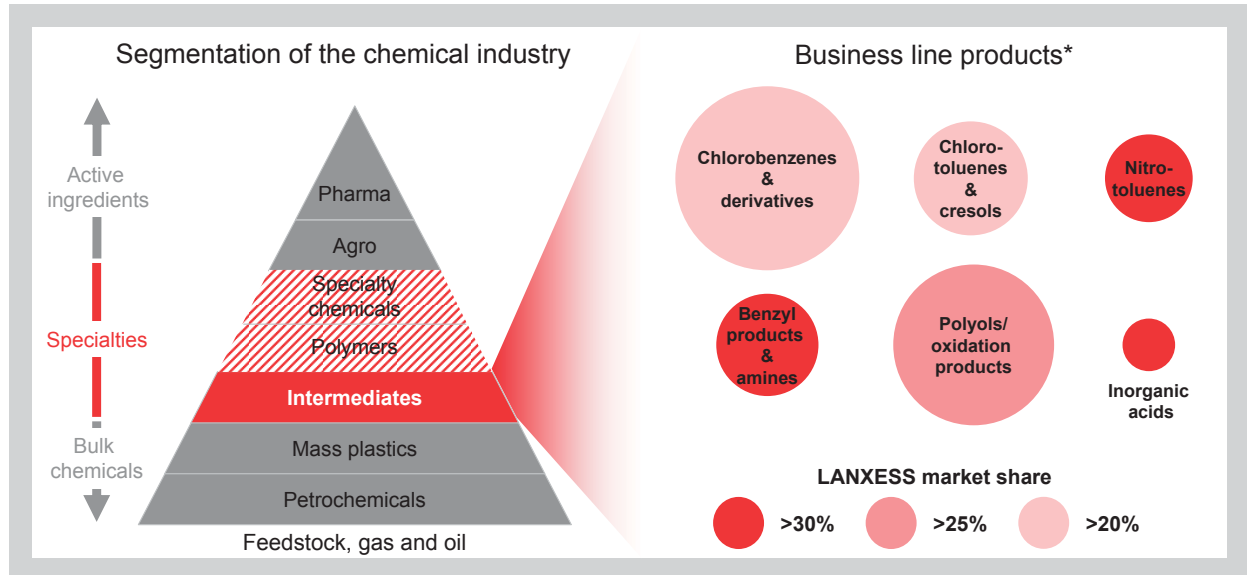
- Performance Polymers
- **Advanced Intermediates**
Advanced Industrial Intermediates
Saltigo
- Performance Chemicals

3. Financials

Advanced Industrial Intermediates: leading global positions in diversified end user applications



Strengthening our business portfolio at an early stage of the value chain



*diameter represents relative market size

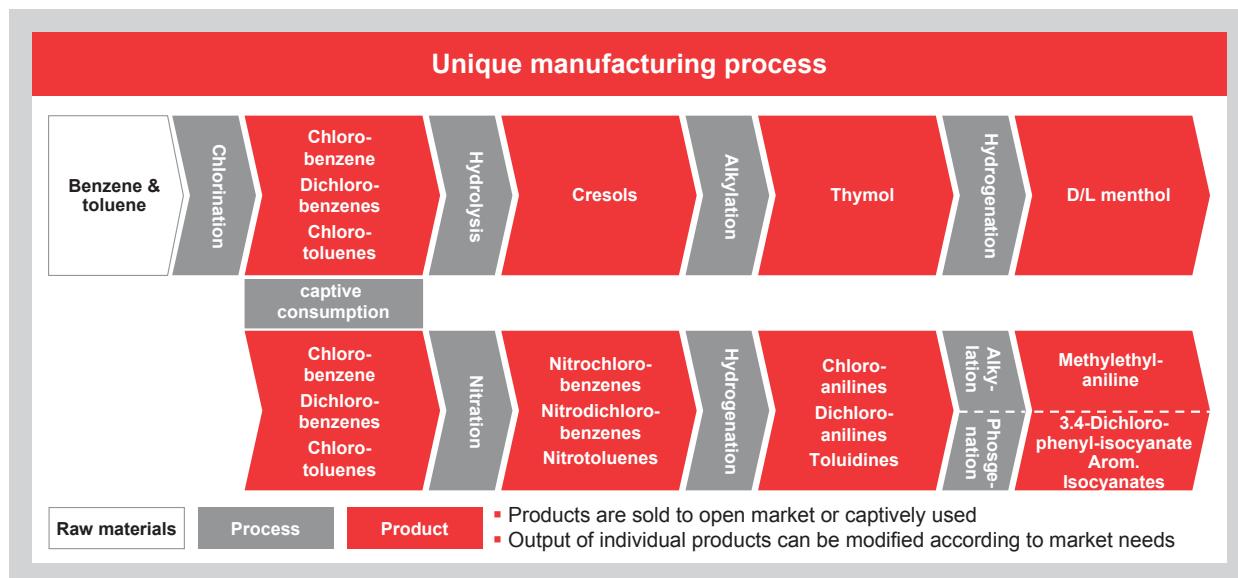
LANXESS Fact Book – Advanced Intermediates: Advanced Industrial Intermediates

Advanced Industrial Intermediates offers a broad product range for use in numerous end user industries

Products (selection)	
▪ Chlorobenzenes and derivatives	
▪ Chlorotoluenes and derivatives	X Baynox [®] X Baynox [®] plus DIPHYL [®] Vulkanox [®]
▪ Nitrotoluenes and derivatives	
▪ Polyols / oxidation products	X Rovelan [®] X Folanx [®]
▪ Inorganic acids	X Anhydrit
▪ Benzyl products / amines	

LANXESS Fact Book – Advanced Intermediates: Advanced Industrial Intermediates

Unique, integrated manufacturing processes provides clear competitive advantage



LANXESS Fact Book – Advanced Intermediates: Advanced Industrial Intermediates



Advanced Industrial Intermediates: market growing along with that of GDP

Market environment	Market share**
<p>Total global demand (2010e)</p> <ul style="list-style-type: none"> €3.3 bn <p>Market development (2011-2015)</p> <ul style="list-style-type: none"> Overall* CAGR: ~3% <ul style="list-style-type: none"> - Asia-Pacific: ~5% - EMEA: ~2% - Americas: ~3% <p>Main competitors</p> <ul style="list-style-type: none"> Aarti BASF DDF DSM Huaihe Ihara Jiangsu Yangnong Merisol Perstorp Tessengerlo 	<ul style="list-style-type: none"> Benzyl products: >30% Inorganic acids: >30% Nitrotoluenes: >30% Polyols: >25% Chlorobenzenes, -toluenes: >20%
	LANXESS production sites
	<ul style="list-style-type: none"> Liyang, China Brunsbüttel, Dormagen, Krefeld-Uerdingen, Leverkusen, Germany Nagda, India Baytown, USA

source: LANXESS estimates; *weighted average; **relevant market

LANXESS Fact Book – Advanced Intermediates: Advanced Industrial Intermediates

All will take advantage of strong European base to further generate value globally

 Strengths / opportunities	 Weaknesses / challenges
<ul style="list-style-type: none"> ▪ The BU maintains strong positions in all its product lines ▪ The unique “Aromatenverbund” system enables optimization of capacity utilization, cost of production and product mix ensuring a solid market position ▪ Competitive technologies and world-scale production facilities provide cost advantage ▪ High capacity utilization with well balanced isomer management 	<ul style="list-style-type: none"> ▪ In some segments newly built facilities in Asia lead to overcapacity resulting in increasing competitive pressure ▪ Migration of upstream industries to Asia (textiles, dyestuffs, fluoro chemicals, pigments, etc.) ▪ Fragmentation in Asian customer markets creates complexity ▪ Limited production assets in Asia ▪ REACH and other regulations will lead to cost increases for European producers

LANXESS Fact Book – Advanced Intermediates: Advanced Industrial Intermediates

Agenda

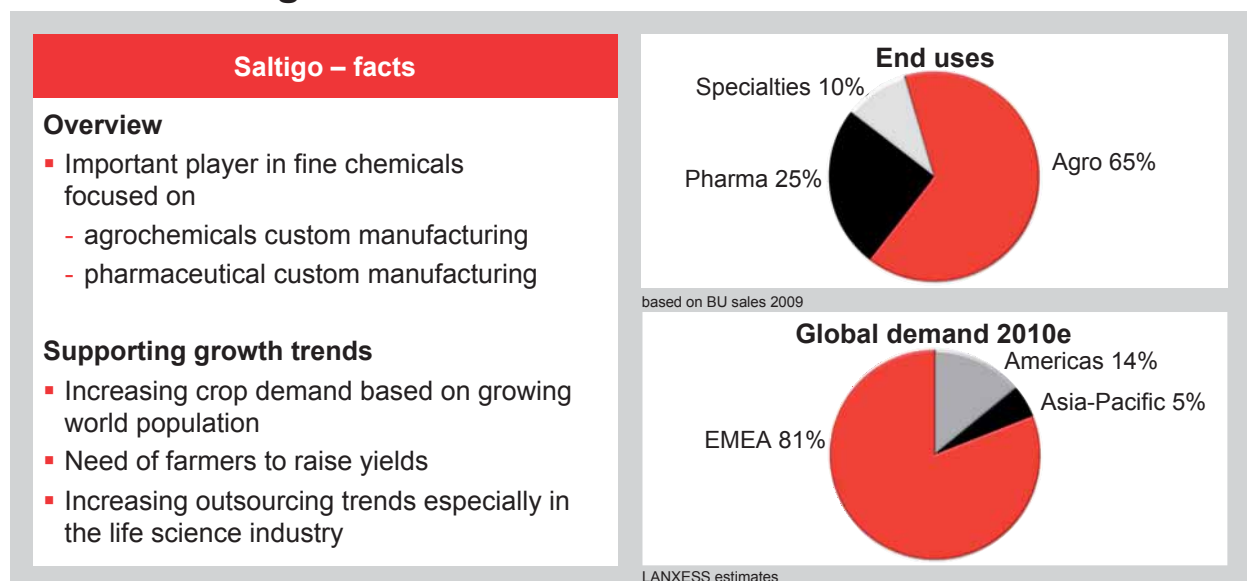
1. LANXESS – Energizing Chemistry

2. Business Segments

- Performance Polymers
- **Advanced Intermediates**
 - Advanced Industrial Intermediates
 - Saltigo**
- Performance Chemicals


3. Financials

Saltigo is serving the market with high-end custom manufacturing of fine chemicals



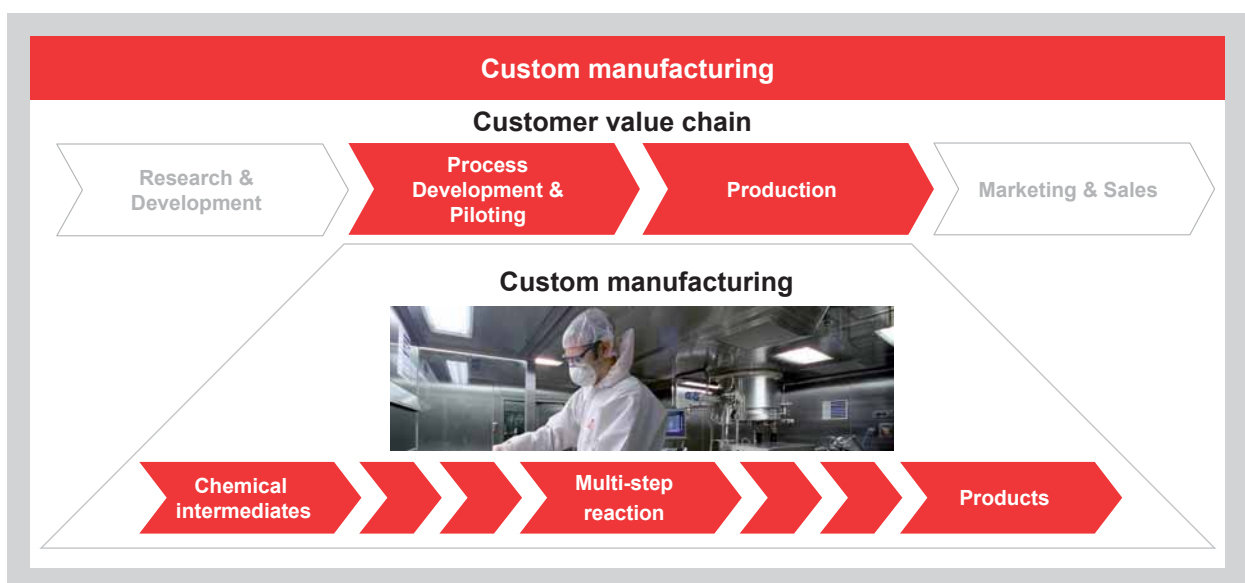
LANXESS Fact Book – Advanced Intermediates: Saltigo

Saltigo offers intermediates and active ingredients mainly for agrochemicals and pharmaceuticals

Products	Applications
<p>Products</p> <ul style="list-style-type: none"> ▪ Custom manufactured active ingredients and intermediates for agrochemicals and pharmaceuticals ▪ Active ingredient for insect repellent <p>Saltidin®</p> <ul style="list-style-type: none"> ▪ Broad portfolio of high-quality multi-customer fine chemicals ▪ Full service provider for route selection, lab scale development, pilotation, manufacturing analytical services and registrations 	

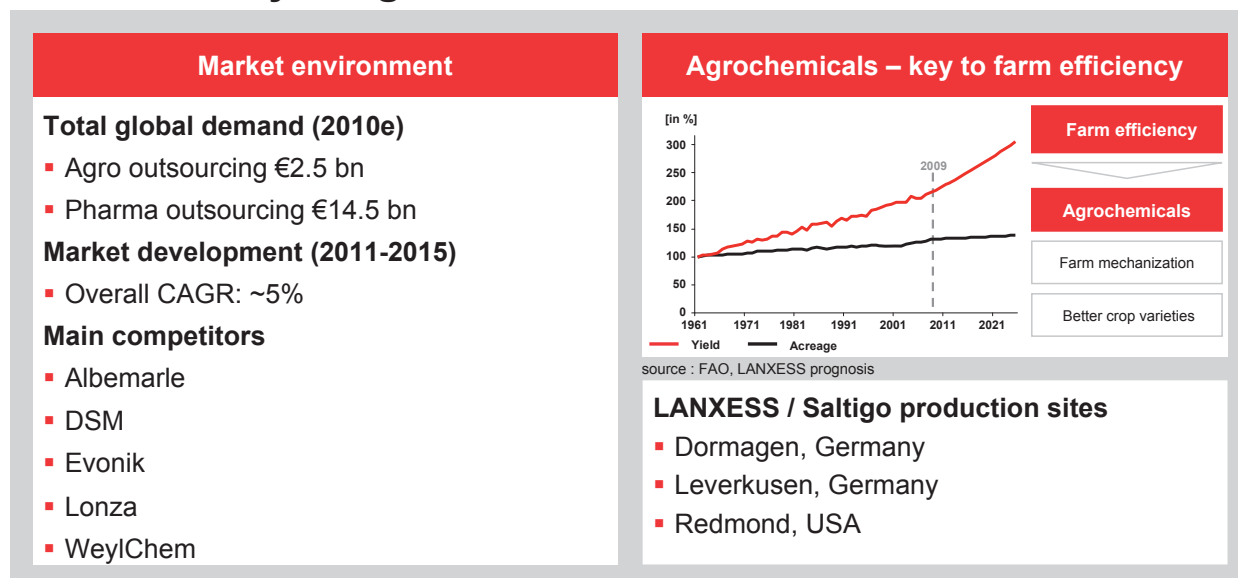
LANXESS Fact Book – Advanced Intermediates: Saltigo

Saltigo: focused on custom manufacturing of fine chemicals



LANXESS Fact Book – Advanced Intermediates: Saltigo

Saltigo is one of the leading players in an interesting growing market mainly in agrochemicals



source: LANXESS estimates

LANXESS Fact Book – Advanced Intermediates: Saltigo

Saltigo is taking advantage of its expertise in complex processes and challenging chemistry



LANXESS Fact Book – Advanced Intermediates: Saltigo







Business Segments – Performance Chemicals




Agenda

1. LANXESS – Energizing Chemistry
2. **Business Segments**
 - Performance Polymers
 - Advanced Intermediates
 - **Performance Chemicals**
3. Financials

Performance Chemicals: production of application-focused chemicals for a wide range of industries (1/2)

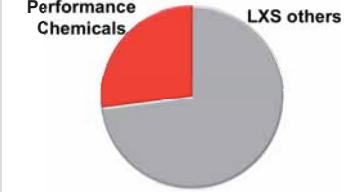
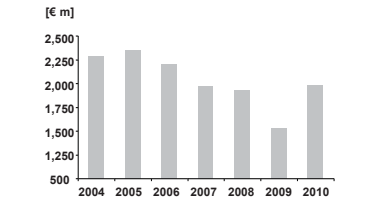
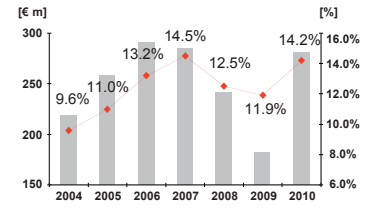
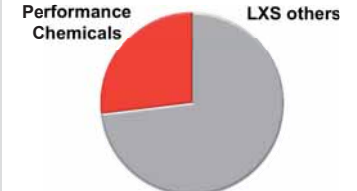
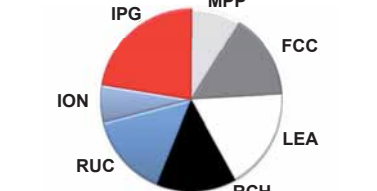
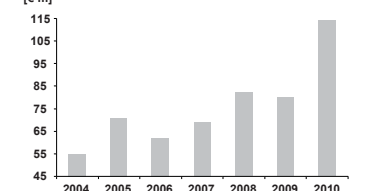
Performance Chemicals			
<p>Material Protection Products</p>  <p>Wide range of biocide active ingredients and preservatives for beverage stabilization, wood protection / antifouling products, industrial preservation and disinfection</p>	<p>Inorganic Pigments</p>  <p>A leading global supplier of inorganic pigments for products such as concrete, roof tiles, paints and dyes and special pigments for toners and other applications</p>	<p>Functional Chemicals</p>  <p>Offers plastics additives, phosphorus and specialty chemicals, organic and inorganic colorants Meets the needs of customers in a wide range of industrial sectors</p>	<p>Leather</p>  <p>One of the few suppliers to the leather industry to offer all products needed for leather processing including tanning agents, preservatives, finishing auxiliaries and dye products</p>

Performance Chemicals: production of application-focused chemicals for a wide range of industries (2/2)

Performance Chemicals			
Rhein Chemie 	Rubber Chemicals 	Ion Exchange Resins 	
<p>Provides as a global supplier technical services and additives for various sectors of the rubber, lubricant and plastics industry</p>	<p>Full portfolio of rubber chemicals for the tire and technical rubber industry including antidegradants, accelerators and specialties</p>	<p>One of the leading producers of ion exchange resins and technical applications for the treatment of liquids. Products are becoming increasingly important, e.g. in the treatment of drinking water</p>	

LANXESS Fact Book – Performance Chemicals

Performance Chemicals: specialty chemicals for niche markets

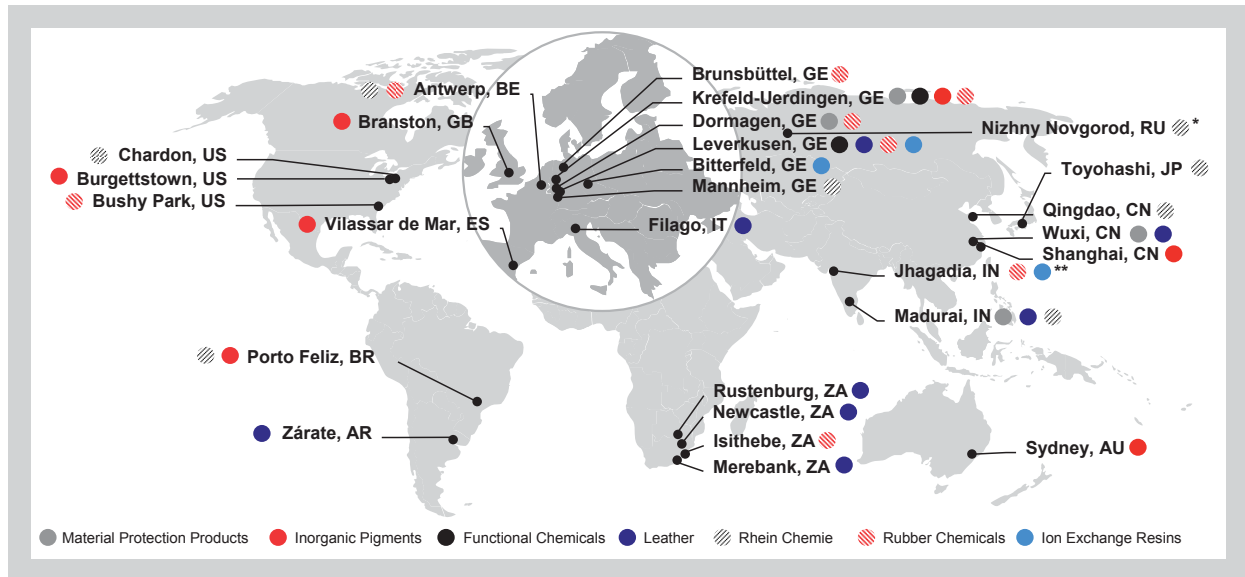
~25% of Group Sales* 	Sales 2004 – 2010 	EBITDA** (margin) 2004 – 2010 
~25% of Group EBITDA pre* 	Sales by BU 2010 	Capex 2004 – 2010 

*operating segments; **pre exceptionals

LANXESS Fact Book – Performance Chemicals

- 59 Material Protection Products
- 62 Inorganic Pigments
- 66 Functional Chemicals
- 70 Leather
- 74 Rhein Chemie
- 77 Rubber Chemicals
- 80 Ion Exchange Resins

Performance Chemicals has a world-wide manufacturing base



*in construction; **start of production in Q4 2010

LANXESS Fact Book – Performance Chemicals

Performance Chemicals: number one to number four in niche positions

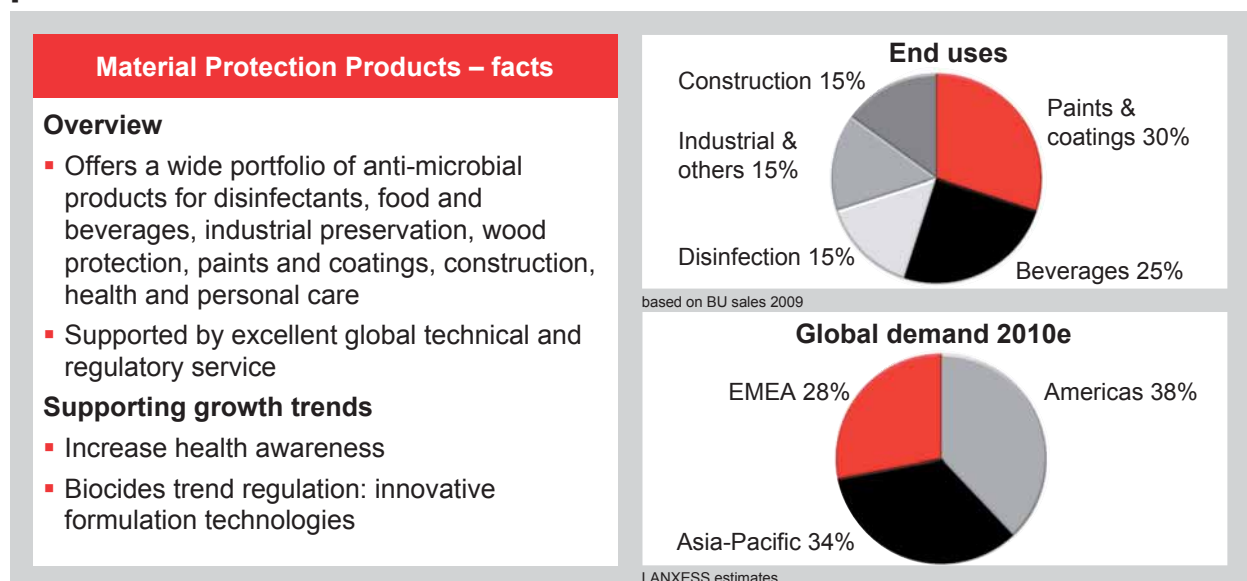
Megatrends: water and urbanization	<ul style="list-style-type: none"> ▪ Scarcity of purified water ▪ Growing middle class in APAC ▪ Increasing demand for coloring in emerging countries
Globally competitive position	<ul style="list-style-type: none"> ▪ Global leadership positions in specialties / niches ▪ Outstanding product quality, high-innovative capability ▪ Global sales and service network
Application-oriented	<ul style="list-style-type: none"> ▪ Activities in the field of process and functional chemicals ▪ Diversified end uses like water treatment, leather, construction industries and beverages

LANXESS Fact Book – Performance Chemicals



Agenda

1. LANXESS – Energizing Chemistry
2. Business Segments
 - Performance Polymers
 - Advanced Intermediates
 - Performance Chemicals
 - Material Protection Products
 - Inorganic Pigments
 - Functional Chemicals
 - Leather
 - Rhein Chemie
 - Rubber Chemicals
 - Ion Exchange Resins
3. Financials

Material Protection Products: customized solutions to preserve materials

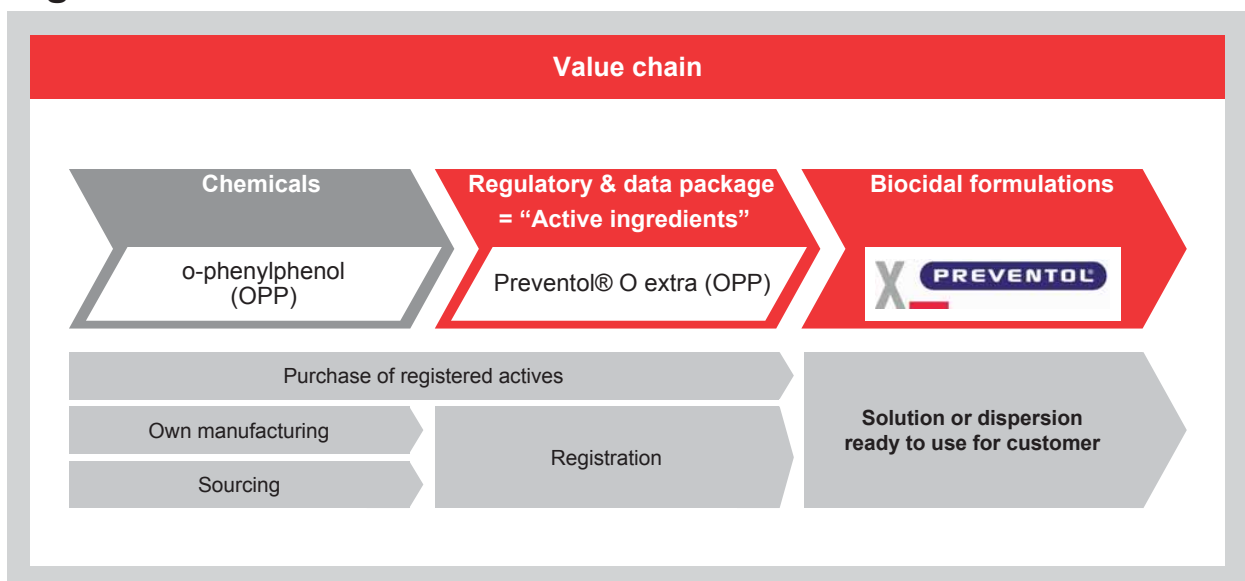


Material Protection Products offers products and problem solutions for a wide area of applications

Products	Applications
<p>Products</p> <ul style="list-style-type: none"> Components for preserve compounds, disinfectants and wood protection products <p>X PREVENTOL</p> <ul style="list-style-type: none"> Technology for non-alcoholic soft drinks and wine <p>X VELCORIN</p> <ul style="list-style-type: none"> Components for preserve compounds <p>X TEKTAMER X BIOCHEK</p>	   

LANXESS Fact Book – Performance Chemicals: Material Protection Products

Material Protection Products: a leading producer of active ingredients and biocidal formulations



LANXESS Fact Book – Performance Chemicals: Material Protection Products

Material Protection Products: benefiting from increasing demand and positive trends

Market environment	
<p>Total global demand 2010e</p> <ul style="list-style-type: none"> Disinfection & Personal care: €1.3 bn Biocides: €2.3 bn <p>Market development (2011-2015)</p> <ul style="list-style-type: none"> Overall CAGR: ~3% <ul style="list-style-type: none"> - disinfection: ~6% - biocides: ~2% - beverage technology: ~3% <p>Main competitors</p> <ul style="list-style-type: none"> Arch Dow Thor 	<p>Growth trend health</p> <ul style="list-style-type: none"> Growing importance of hygiene Calorie-reduced / functional beverages <p>Biocides trend regulation</p> <ul style="list-style-type: none"> Innovative formulation technologies “Green” actives Organic beverages <p>LANXESS production sites</p> <ul style="list-style-type: none"> Wuxi, China Dormagen, Germany Krefeld-Uerdingen, Germany Madurai, India

LANXESS Fact Book – Performance Chemicals: Material Protection Products

Material Protection Products’ strength driven by product portfolio and expertise

✓ Strengths / opportunities	! Weaknesses / challenges
<ul style="list-style-type: none"> Broad and innovative portfolio with unique properties and leading positions in attractive market segments Leading expertise in regulatory affairs and broad basis of biocidal registrations Global sales and service network Good cost structure Leading beverage technology solution Opportunity to participate in ongoing market consolidation Opportunity to participate in growing demand for hygiene products 	<ul style="list-style-type: none"> Low cost Chinese / Indian competition in commodity-type biocidal actives Challenge to manage commoditizing wood actives Challenge to improve upstream-integration for selected actives

LANXESS Fact Book – Performance Chemicals: Material Protection Products

Agenda

1. LANXESS – Energizing Chemistry
2. Business Segments
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Inorganic Pigments: market leader with double-digit market share

Inorganic Pigments – facts

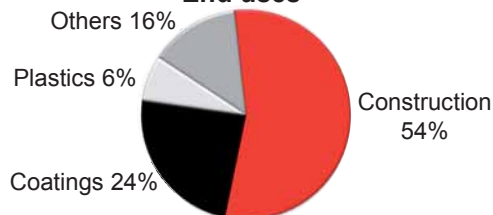
Overview

- BU Inorganic Pigments offers
 - high-quality iron oxide and chromium oxide pigments (e.g. for construction, coatings, plastics)
 - iron oxides and chromium oxides for technical applications

Supporting growth trends

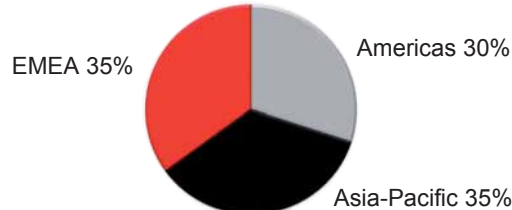
- Increasing demand for coloring in emerging countries (e.g. in Asia-Pacific and LATAM)
- Sustainability as a competitive edge
- Consolidation among Chinese iron oxide producers
- General global trend towards higher quality products in all application fields

End uses



based on BU sales 2009

Global demand 2010e



LANXESS estimates based on SRI

LANXESS Fact Book – Performance Chemicals: Inorganic Pigments

Growing awareness for sustainability worldwide will trigger implementation of environmental standards

Sustainability in manufacturing	Sustainability as growth driver for IPG
<p>Jinshan, China</p> <ul style="list-style-type: none"> State-of-the-art wastewater treatment plant 15% reduced emissions in 2009 by better energy utilization and water management <p>Porto Feliz, Brazil</p> <ul style="list-style-type: none"> CO₂ neutral production of energy by using bagasse, a residual of the sugar industry (Co-Generation plant) Reduction of CO₂ emissions by 44kt annually <p>Krefeld-Uerdingen, Germany</p> <ul style="list-style-type: none"> Innovative process enables complete waste water recycling to produce iron oxide pigments Processed water of recovery unit needs no further cleaning, it is directly piped into the Rhine 	<ul style="list-style-type: none"> IPG as the first global mover in setting and implementing highest HSEQ standards in production processes for iron and chrome oxides Further global HSEQ production process developments are driven by IPG Implementation of HSEQ standards in emerging countries are driven by IPG LANXESS production sites in China and Brazil with “German” standards IPG’s focus on HSEQ proving successful during ongoing consolidation of competitive environment Focus on sustainability further increases competitiveness

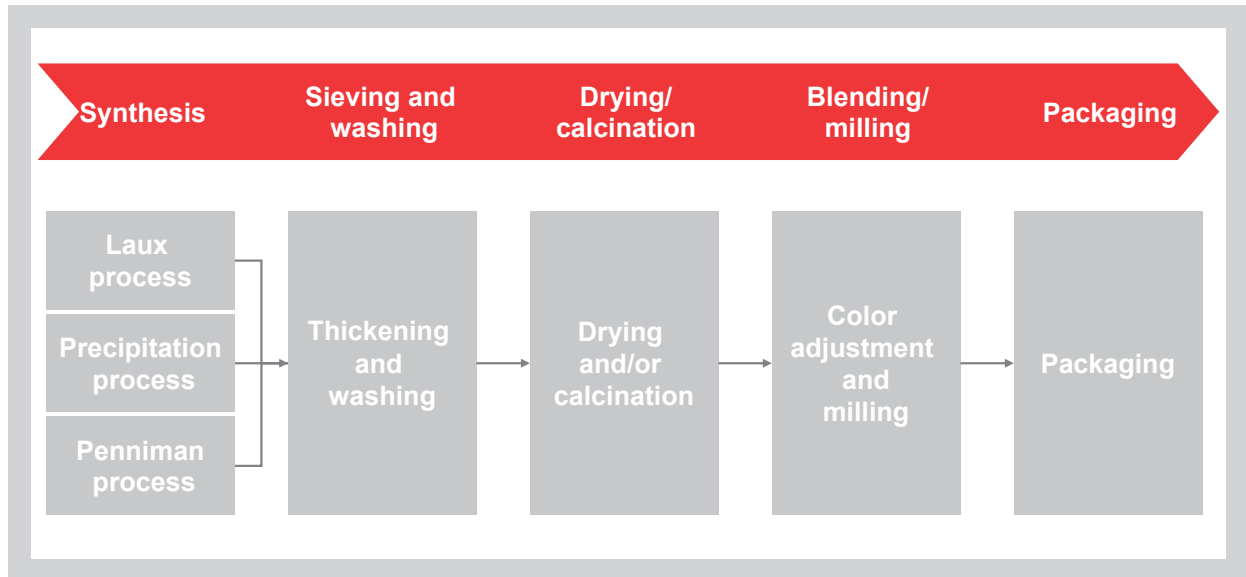
LANXESS Fact Book – Performance Chemicals: Inorganic Pigments

Pigments for colorings and technical applications

Products	Applications
<p>Products</p> <ul style="list-style-type: none"> Broad range of iron oxide and chromium oxide pigments: Bayferrox®, COLORTHERM®, Bayoxide®, BayScape® “Golden Standard” for iron oxide pigments 	

LANXESS Fact Book – Performance Chemicals: Inorganic Pigments

Production process – Various technologies are applied to produce a full range of colors



LANXESS Fact Book – Performance Chemicals: Inorganic Pigments

IPG is well prepared to accommodate future market developments

Market environment

Total global demand (2010e)

- ~€800 m

Market development (2011-2015)

- Overall CAGR: ~4%
- Asia-Pacific: 5-6%
- EMEA: ~3%
- Americas: ~3%

Main competitors

- Rockwood
- Chinese Companies (e.g. Cathay Pigments, Yipin Pigments)

Global demand for iron oxide, 2010-2016e

[kt]

■ APAC ■ Americas ■ EMEA



LANXESS production sites

- Sydney, Australia
- Porto Feliz, Brazil
- Shanghai, China
- Krefeld-Uerdingen, Germany
- Vilassar de Mar, Spain
- Branston, United Kingdom
- Burgettstown, USA

source: LANXESS estimates based on Cologne Strategy Group

LANXESS Fact Book – Performance Chemicals: Inorganic Pigments

World-scale production capacities, global market access and technical support are key competitive advantages of IPG

 Strengths / opportunities	 Weaknesses / challenges
<ul style="list-style-type: none">▪ State-of-the-art world-scale production capacities and superior product quality▪ Broad product portfolio (in terms of color, supply forms and application coverage)▪ Strong and well established brand name (Bayferrox® synonymous for iron oxides in general in many markets)▪ Worldwide distribution network and local blending units▪ High sophisticated technical support▪ Global adherence to high environmental standards	<ul style="list-style-type: none">▪ Increasing raw material and energy costs▪ High share of total costs denominated in EUR (most iron oxide producers have a USD dominated cost structure)

LANXESS Fact Book – Performance Chemicals: Inorganic Pigments

Agenda

1. LANXESS – Energizing Chemistry
2. Business Segments
 - Performance Polymers
 - Advanced Intermediates
 - Performance Chemicals
 - Material Protection Products
 - Inorganic Pigments
 - Functional Chemicals
 - Leather
 - Rhein Chemie
 - Rubber Chemicals
 - Ion Exchange Resins
3. Financials

Functional Chemicals: high-value added products meeting strict environmental and regulatory requirements

Functional Chemicals – facts

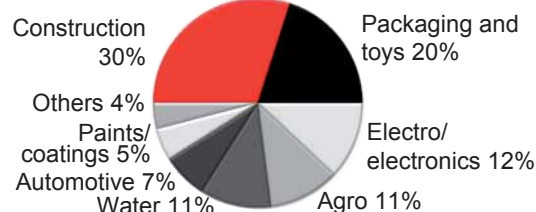
Overview

- Major global manufacturer of organic phosphorous chemicals (flame retardants), polymer additives (plasticizers), organic colorants and water treatment chemicals
- Providing specialty products with high value added

Supporting growth trends

- Regulatory trend towards halogen-free flame retardants and phthalate-free plasticizers
- Increasing demand for polymer processing, office communication, water treatment and conditioning

End uses








based on BU sales 2009

LANXESS production sites

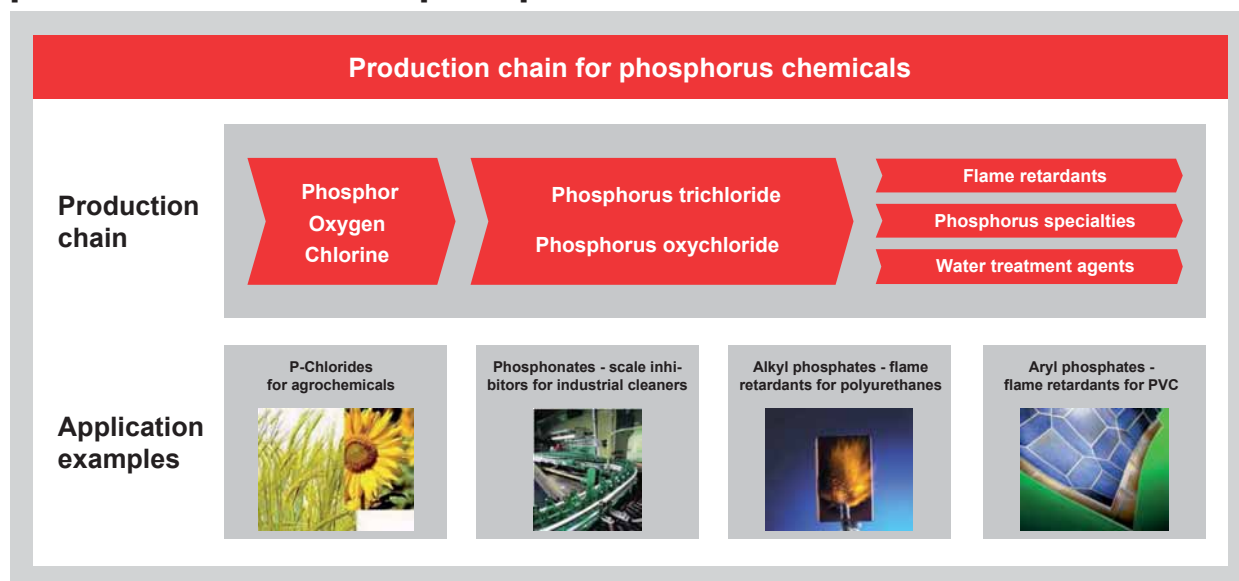
- Leverkusen, Germany
- Krefeld-Uerdingen, Germany

Functional Chemicals offers products for a variety of applications in plastics and chemistry

Products	Applications
<ul style="list-style-type: none"> Flame retardants (DISFLAMOLL®, BAYFOMOX®, LEVAGARD®) Plasticizers (MESAMOLL®, ADIMOLL®, ULTRAMOLL®, UNIMOLL®, Triacetin) Blowing agents (GENITRON™) Organic colorants (BAYSCRIPT®, MACROLEX®, BAYPLAST®, SOLFORT®, LEVANYL®, LEVANOX®, BAYFAST®) Synthesis chemicals: phosphor intermediates, phosphor chlorides Water treatment chemicals (BAYHIBIT®, BAYPURE®) <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>Mesamoll</p> </div> <div style="text-align: center;">  <p>Disflamoll</p> </div> <div style="text-align: center;">  <p>Macrolex</p> </div> <div style="text-align: center;">  <p>Bayfomox</p> </div> </div>	

LANXESS Fact Book – Performance Chemicals: Functional Chemicals

Functional Chemicals operates one of the largest integrated production units for phosphorus chemicals



LANXESS Fact Book – Performance Chemicals: Functional Chemicals

Functional Chemicals offers products responding to growing environmental and regulatory requirements

Trends for plastic additives and flame retardants

Trend to phthalate-free plasticizers and FDA approved products

- Growing demand for phthalate-free plasticizers for a wide range of polymers
- Food:
 - Food and Drug Administration (FDA) approval for Mesamoll® II
 - positive rating from EFSA (European Food Safety Authority) was granted for food contact applications (Official EU approval for use in food packaging expected for fall 2010)
 - Macrolex® dyes satisfy high purity and safety regulations for food packaging and food contact applications including FDA approval

Trend to phosphorus-based flame retardants

- Ongoing EU and NORAM environmental regulations, increasing OEM and consumer preference ban several brominated and favor mainly phosphorus-based flame retardants
- LANXESS is dedicated to environmentally friendly safer phosphorus-based flame retardants

Trend to energy efficient buildings

- Levagard DMPP satisfies new EU fire protection standards for composite isolation elements made of rigid polyurethane foam

LANXESS Fact Book – Performance Chemicals: Functional Chemicals

The phosphorus-based flame retardants market is growing faster than GDP

Market environment flame retardants

Total global demand (2010e)

- \$750 m

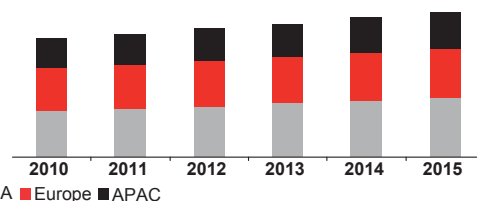
Market development (2011-2015)

- Overall CAGR: ~5%
- Asia-Pacific: ~5%
- Europe: ~3%
- North America: ~4%

Main competitors

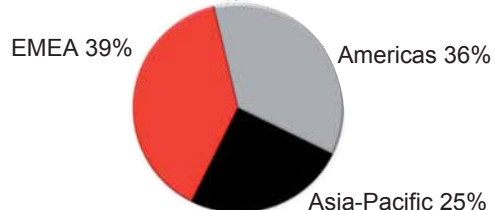
- Albemarle
- Chemtura
- Daihachi
- ICL
- Wansheng
- Yoke

P-based flame retardants market, 2010-2015e



source: SRI



Global demand 2010e



LANXESS estimates for flame retardants

LANXESS Fact Book – Performance Chemicals: Functional Chemicals

Functional Chemicals is a competitive regulatory driven business

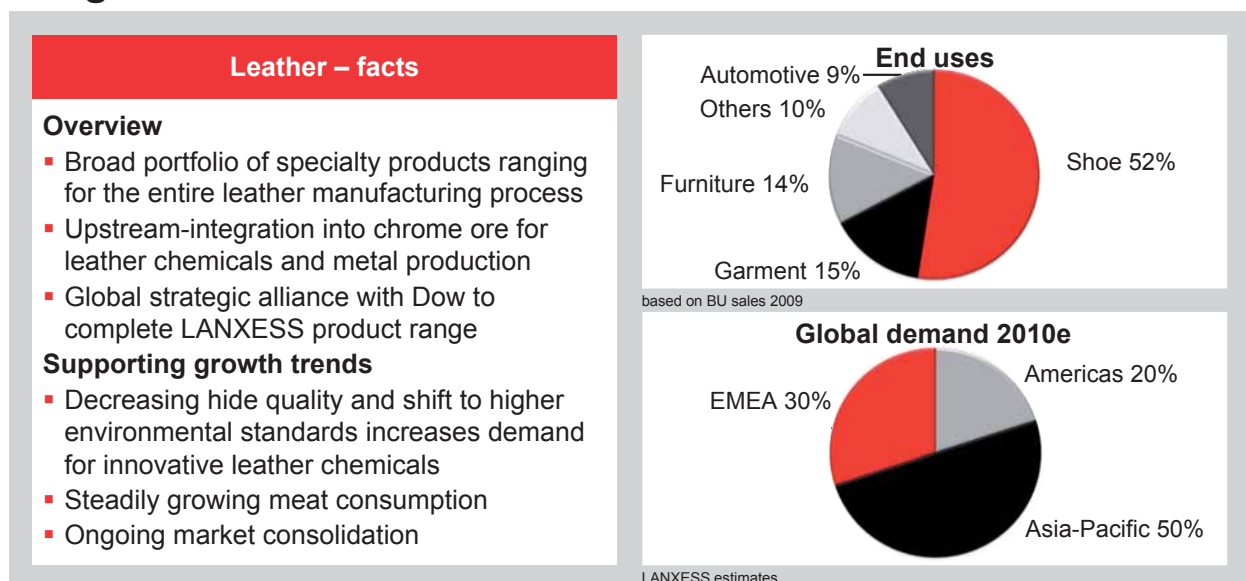
 Strengths / opportunities	 Weaknesses / challenges
<ul style="list-style-type: none">▪ One of the largest and most competitive integrated production facilities for phosphorus chemicals▪ Strong market position in phosphorus based flame retardants, bonding agents and other ecologically friendly products such as specialty plasticizers and solvent dyes for plastics▪ Established solution provider especially for products meeting new regulatory requirements▪ Global strong existing customer relationships in key markets▪ Environmental awards and extensive patent protection	<ul style="list-style-type: none">▪ Enhancement of competitiveness to face increasing price pressure in commodity segments especially from Asian competitors▪ Efficiently managed high volatility of raw material prices▪ Change in the competitive environment due to further consolidation

LANXESS Fact Book – Performance Chemicals: Functional Chemicals

Agenda

1. LANXESS – Energizing Chemistry
2. Business Segments
 - Performance Polymers
 - Advanced Intermediates
 - Performance Chemicals
 - Material Protection Products
 - Inorganic Pigments
 - Functional Chemicals
 - Leather**
 - Rhein Chemie
 - Rubber Chemicals
 - Ion Exchange Resins
3. Financials

Leather benefits from a broad product portfolio and upstream-integration into chrome ore



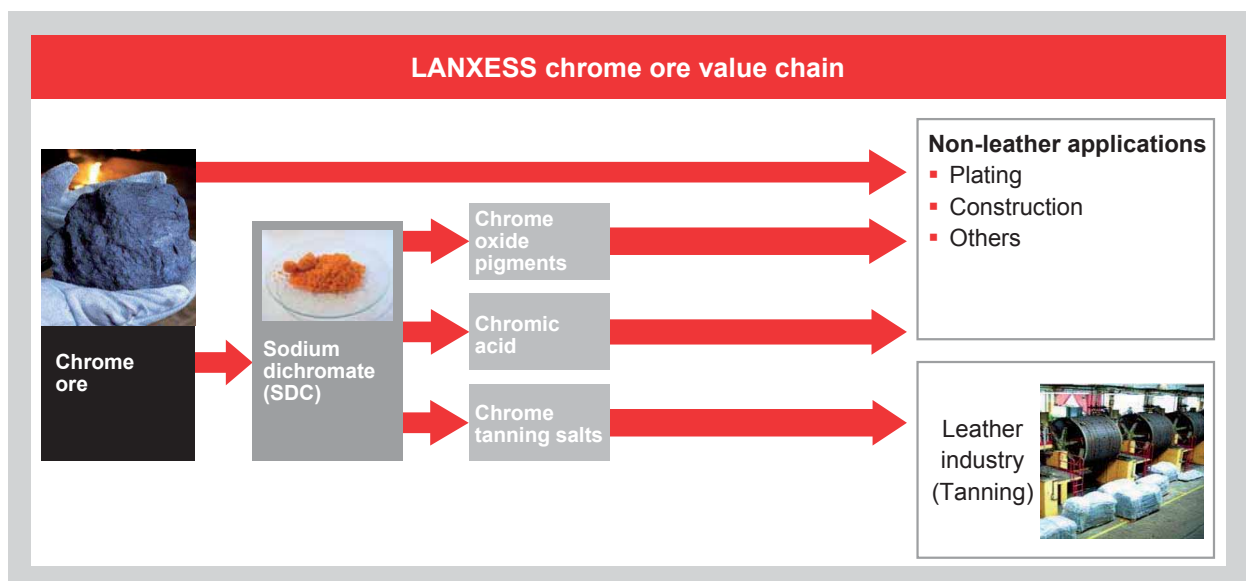
LANXESS Fact Book – Performance Chemicals: Leather

LANXESS offers a full product portfolio for the leather industry

Products	Applications
<ul style="list-style-type: none"> ▪ Beamhouse chemicals ▪ Binders ▪ Chrome tanning salts ▪ Colorants for wet end and finishing ▪ Fatliquor ▪ Finishing auxiliaries ▪ Patent leather chemicals ▪ Preservatives ▪ Retanning chemicals <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;"> <div style="text-align: center;">  <p>Chromosal[®]</p> </div> <div style="text-align: center;">  <p>Aquaderm[®]</p> </div> <div style="text-align: center;">  <p>Tanigan[®]</p> </div> </div>	

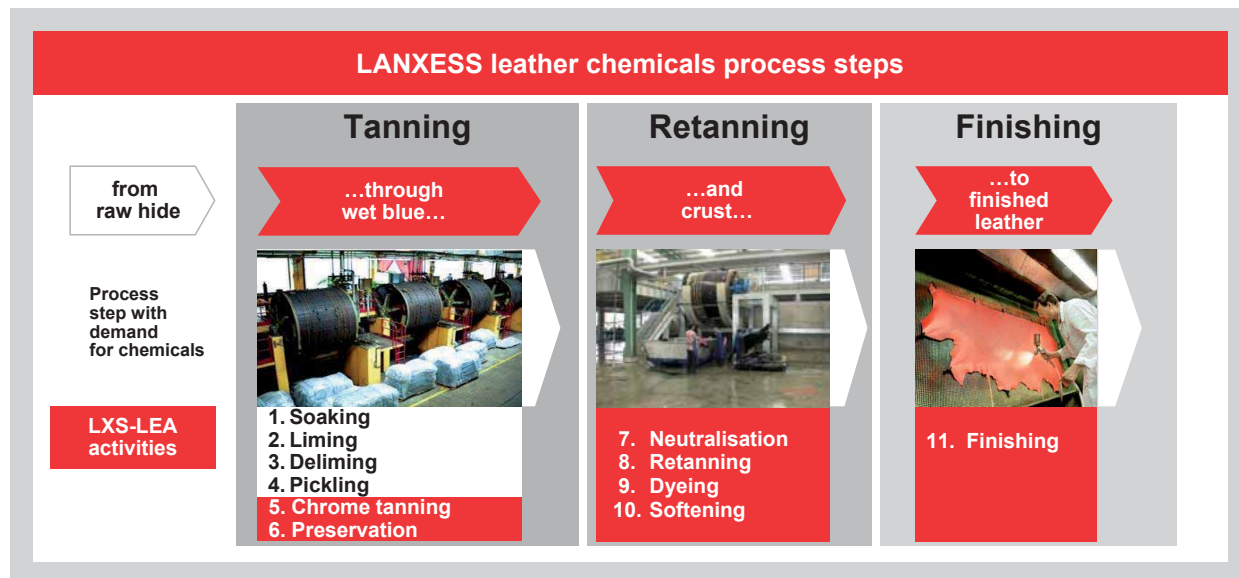
LANXESS Fact Book – Performance Chemicals: Leather

Upstream-integration into chrome ore for usage in the leather and other industries



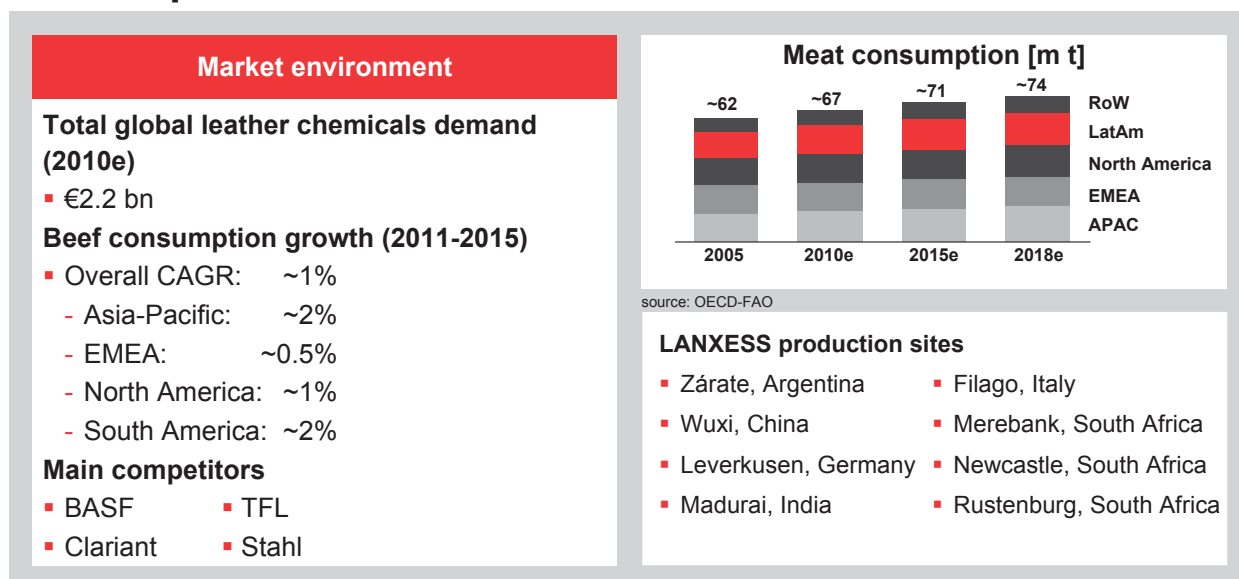
LANXESS Fact Book – Performance Chemicals: Leather

BU Leather offers a well balanced portfolio of leather chemicals in an one-stop-shop



LANXESS Fact Book – Performance Chemicals: Leather



Leather markets grow slowly but steadily in line with meat consumption



source: OECD-FAO

LANXESS Fact Book – Performance Chemicals: Leather

Excellent positioning in a challenging market environment

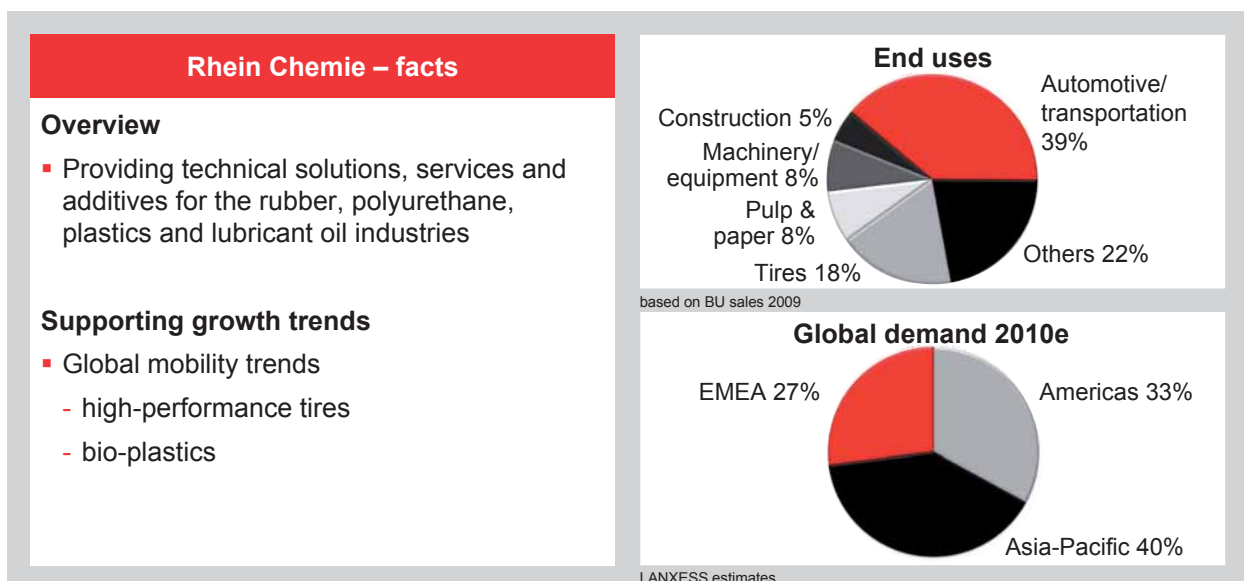
 Market environment	Weaknesses / challenges 
<ul style="list-style-type: none">▪ Broad product portfolio offering full range of leather chemicals to the customer▪ Strong market position in chrome tanning salts driven by upstream-integration into chrome ore▪ Strong market position in faster growing Asian markets▪ Strong and established customer relationships▪ Well trained and experienced technical support with excellent market acceptance▪ Market geared towards consolidation	<ul style="list-style-type: none">▪ Increasing competitive pressure due to ongoing overcapacities in retanning and finishing chemicals▪ Country risk due to production in geopolitically volatile countries▪ Innovation need due to prospective increase in eco trends

LANXESS Fact Book – Performance Chemicals: Leather

Agenda

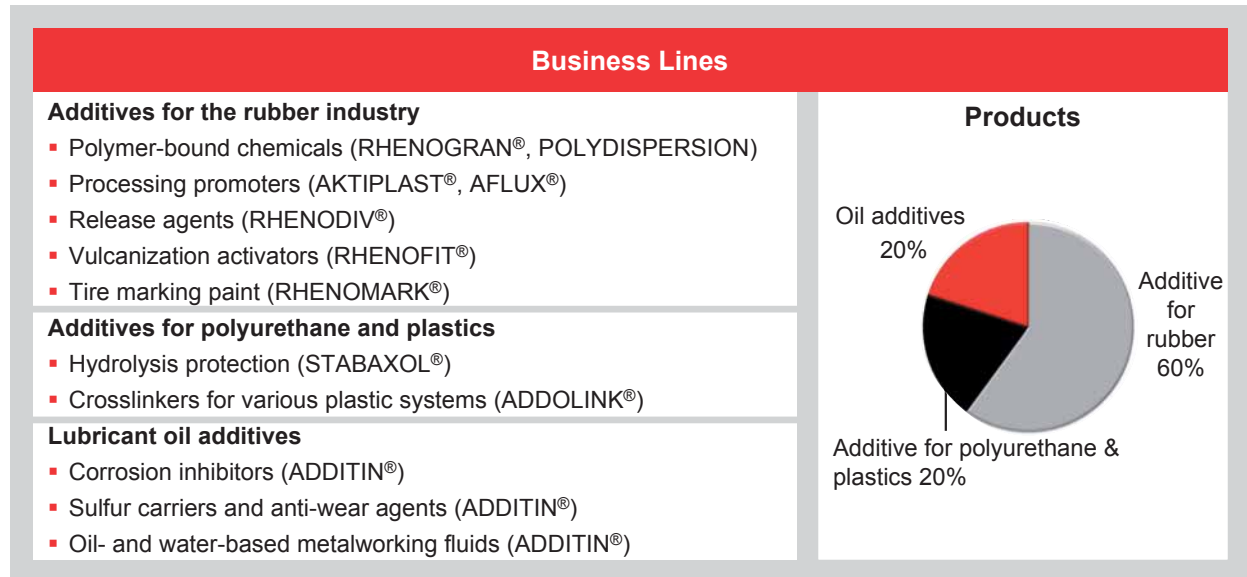
1. LANXESS – Energizing Chemistry
2. Business Segments
 - Performance Polymers
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 - Leather
 - Rhein Chemie**
 - Rubber Chemicals
 - Ion Exchange Resins
3. Financials

Rhein Chemie has a strong service and application expertise



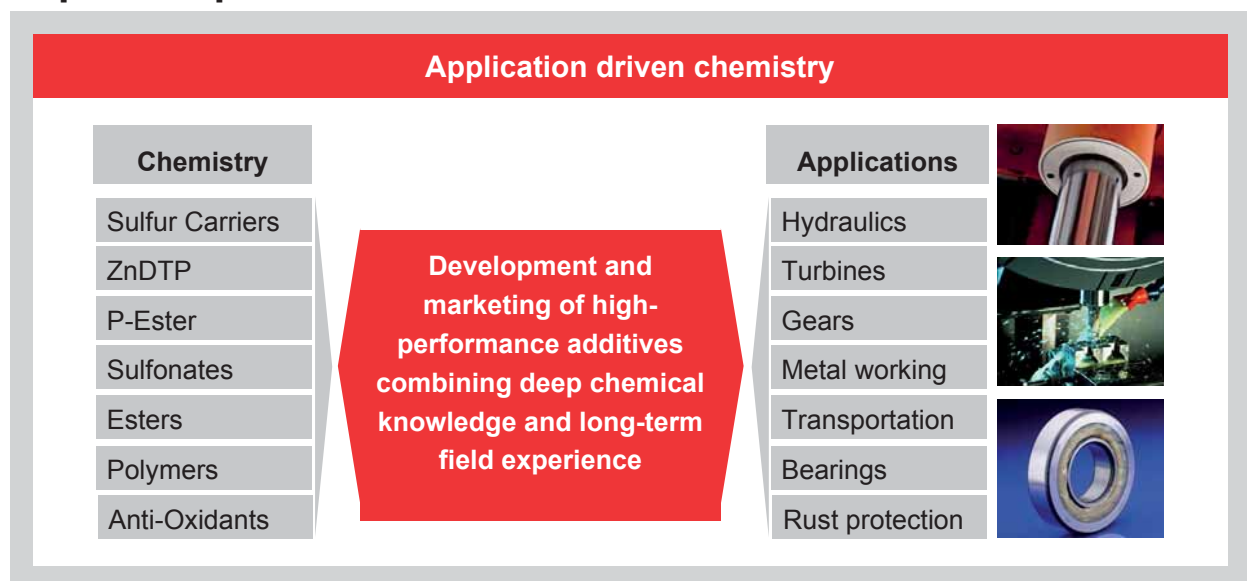
LANXESS Fact Book – Performance Chemicals: Rhein Chemie

Rhein Chemie offers a diverse product portfolio



LANXESS Fact Book – Performance Chemicals: Rhein Chemie

High-performance packages for industrial oils are the most important products of the lubricant oil additive business





LANXESS Fact Book – Performance Chemicals: Rhein Chemie

Rhein Chemie has a leading market position in its main business segment

Market environment	New production facility in Nizhny Novgorod, Russia								
<p>Total global demand (2010e)</p> <ul style="list-style-type: none"> ▪ €2.3 bn <p>Market development (2011-2015)</p> <ul style="list-style-type: none"> ▪ Overall CAGR: ~3% - Asia-Pacific: ~5% - EMEA: ~2% - Americas: ~2% <p>Main competitors</p> <ul style="list-style-type: none"> ▪ Afton ▪ Lubrizol ▪ MLPC / Arkema Group ▪ Struktol 	<ul style="list-style-type: none"> ▪ Industrial park Dzerzhinsk will gain additional production capacity for Rhein Chemie's main product group polymer-bound chemicals and release agents in 2011 								
	<p>LANXESS capacities</p> <ul style="list-style-type: none"> ▪ ~100kt/y <p>LANXESS production sites</p> <table border="0"> <tr> <td>▪ Antwerp, Belgium</td> <td>▪ Madurai, India</td> </tr> <tr> <td>▪ Porto Feliz, Brazil</td> <td>▪ Toyohashi, Japan</td> </tr> <tr> <td>▪ Qingdao, China</td> <td>▪ Nizhny Novgorod, RUS</td> </tr> <tr> <td>▪ Mannheim, Germany</td> <td>▪ Chardon, USA</td> </tr> </table>	▪ Antwerp, Belgium	▪ Madurai, India	▪ Porto Feliz, Brazil	▪ Toyohashi, Japan	▪ Qingdao, China	▪ Nizhny Novgorod, RUS	▪ Mannheim, Germany	▪ Chardon, USA
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▪ Qingdao, China	▪ Nizhny Novgorod, RUS								
▪ Mannheim, Germany	▪ Chardon, USA								

LANXESS Fact Book – Performance Chemicals: Rhein Chemie

Rhein Chemie has a strong service and application expertise

 Strengths / opportunities	 Weaknesses / challenges
<ul style="list-style-type: none"> ▪ Leading position in additive formulations ▪ Well recognized image and strong brands ▪ Global sales and service network ▪ Supplier of customized solutions and close customer relationships ▪ Rapid responsiveness to market trends ▪ Excellent technical know-how ▪ Leading capabilities to developed technical solutions and services 	<ul style="list-style-type: none"> ▪ Consolidation in rubber and automotive industry ▪ Raw material price volatility and availability ▪ Cost pressure of the automotive industry ▪ Exposure to mature markets ▪ Regional low cost competitors

LANXESS Fact Book – Performance Chemicals: Rhein Chemie

Agenda

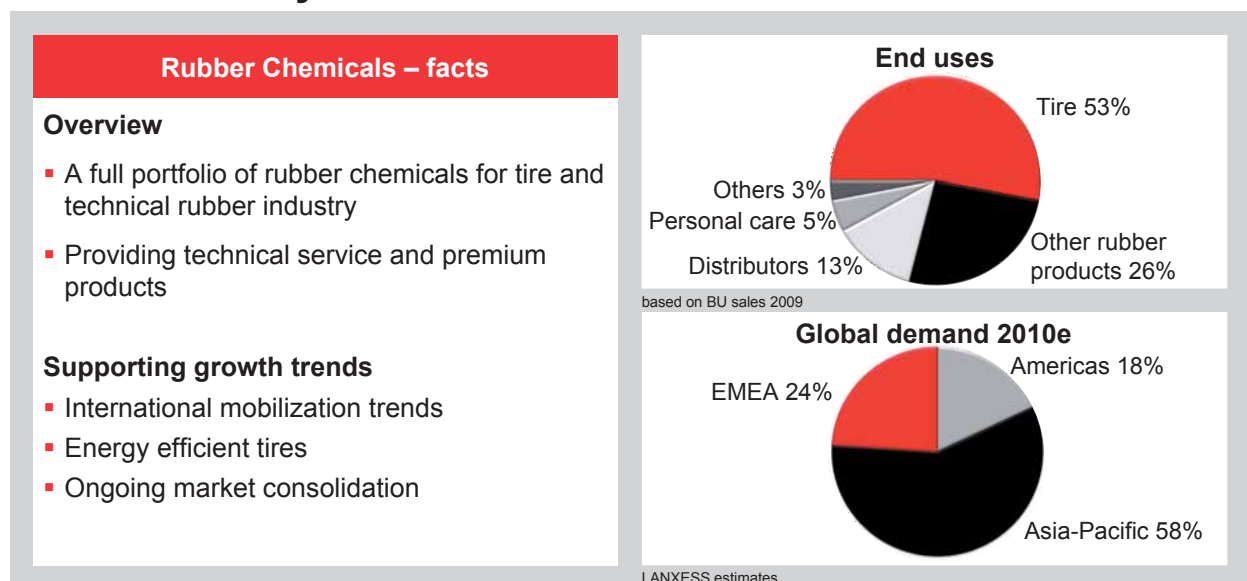
1. LANXESS – Energizing Chemistry

2. Business Segments

- Performance Polymers
- Advanced Intermediates
- Performance Chemicals
 - Material Protection Products
 - Inorganic Pigments
 - Functional Chemicals
 - Leather
 - Rhein Chemie
 - Rubber Chemicals**
 - Ion Exchange Resins

3. Financials

BU RUC is a leading supplier of rubber chemicals to the rubber industry

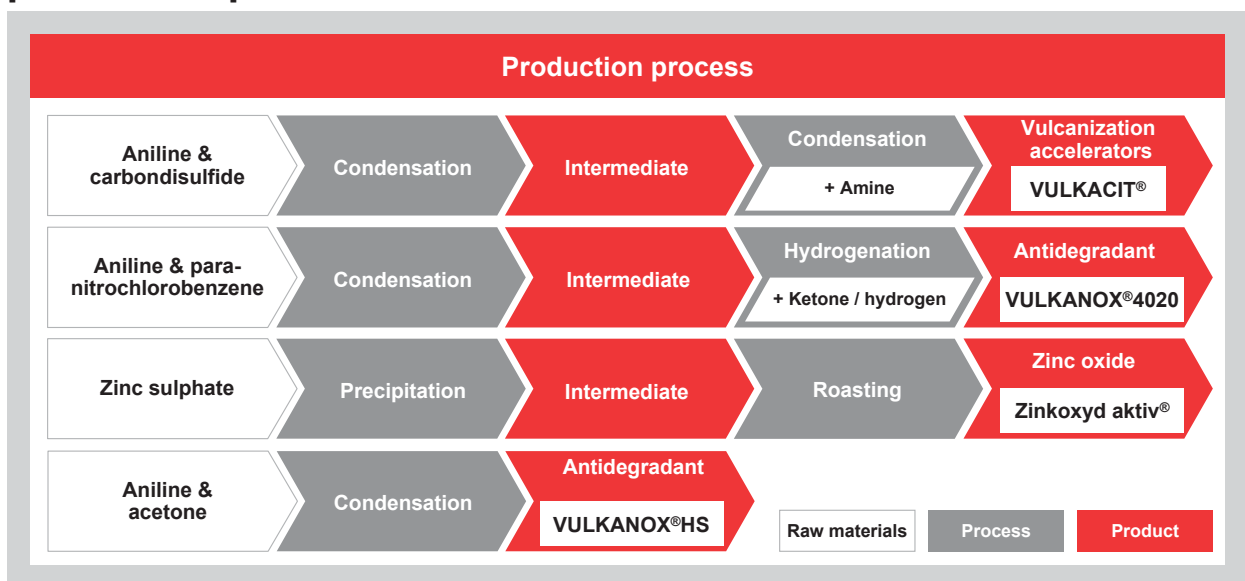


Rubber Chemicals offers a broad portfolio of premium products to enhance rubber properties

Products (selection)	Applications
<ul style="list-style-type: none"> ▪ Accelerators (~28%): thiazoles, sulfenamides (VULKACIT®) 	
<ul style="list-style-type: none"> ▪ Antidegradants (~50%): phenylendiamines, quinolines (VULKANOX®) 	
<ul style="list-style-type: none"> ▪ Specialties (~22%): used as bonding agents (COHEDUR®), cross linkers (VULCUREN®), fillers (VULKASIL®), latex chemicals, peptizing agents (RENACIT®), etc. 	

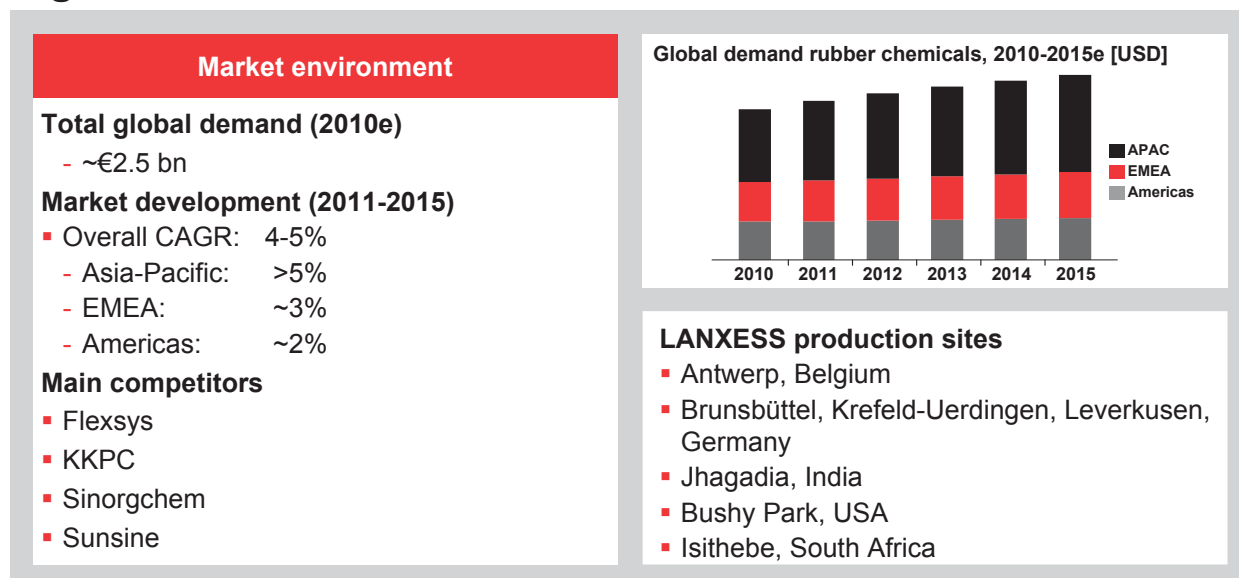
LANXESS Fact Book – Performance Chemicals: Rubber Chemicals

Leading technology position with a continuous focus on process improvements



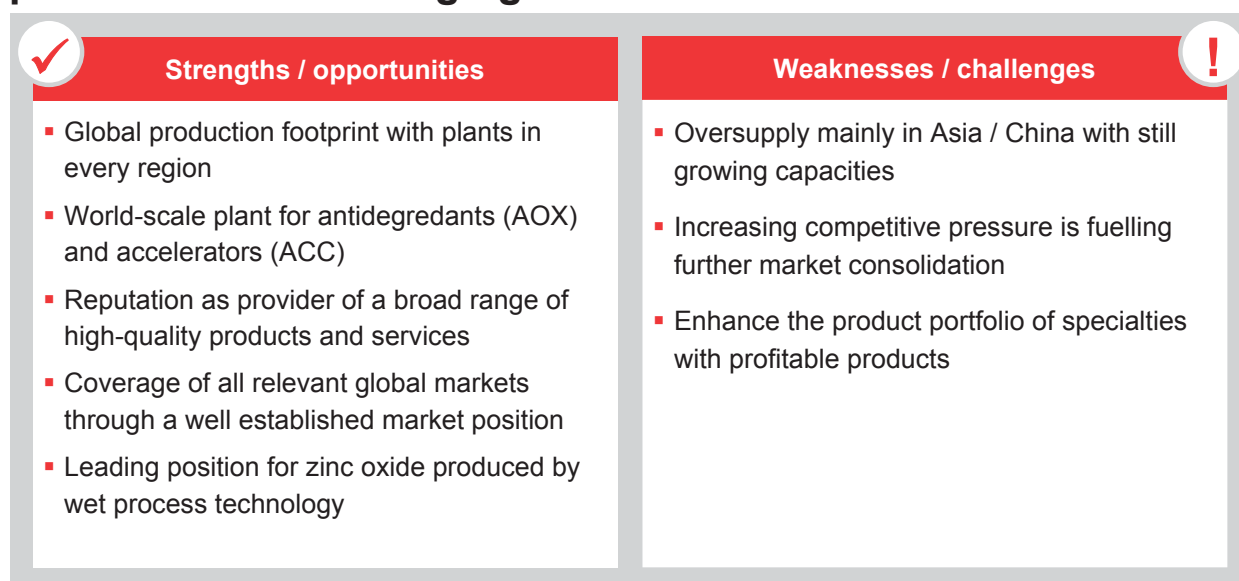
LANXESS Fact Book – Performance Chemicals: Rubber Chemicals

BU RUC is a global player with production sites in every region



LANXESS Fact Book – Performance Chemicals: Rubber Chemicals

Rubber Chemicals has leading market and technology positions in a challenging environment



LANXESS Fact Book – Performance Chemicals: Rubber Chemicals

Agenda

1. LANXESS – Energizing Chemistry
2. Business Segments
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 - Rubber Chemicals
 - Ion Exchange Resins
3. Financials

Ion Exchange Resins – Advanced solutions for liquid treatment

Business profile	
<p>Overview</p> <ul style="list-style-type: none"> ▪ One of the world's leading producer of ion exchange resins for liquid treatment ▪ Providing premium products for more than 500 applications ▪ More than 70 years know-how in all technical application fields ▪ New business field of membrane filtration technology <p>Supporting growth trends</p> <ul style="list-style-type: none"> ▪ Increased water demand for growing population in a more urban world 	<p style="text-align: center;">End uses</p> <p style="text-align: center; font-size: small;">based on BU sales 2009</p> <p style="text-align: center;">Global demand 2010e</p> <p style="text-align: center; font-size: small;">LANXESS estimates based on Freedonia/SRI</p>

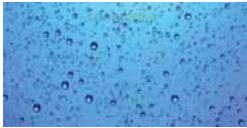
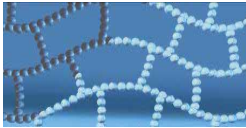
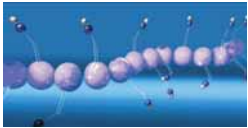
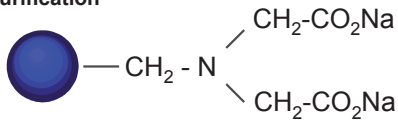


LANXESS Fact Book – Performance Chemicals: Ion Exchange Resins

Ion Exchange Resins: a solution provider, manufacturing custom designed products

Products	Applications
<p>Products</p> <ul style="list-style-type: none"> ▪ Ion exchange resins ▪ Adsorbers ▪ Functional polymers ▪ Membranes (end of 2011) <p>Main usage</p> <ul style="list-style-type: none"> ▪ Water softening ▪ High-purified water ▪ Groundwater treatment ▪ Hydrometallurgy ▪ Food and beverage industries 	  

LANXESS Fact Book – Performance Chemicals: Ion Exchange Resins

ION production process for application variety

Production process			Product properties
 <p>Suspension of monomer droplets</p>	 <p>Polymerization: from droplets to small polymer beads which are made up of a network of polymer chains</p>	 <p>Functional groups are applied to the beads</p>	<ul style="list-style-type: none"> ▪ Ability to exchange ions ▪ Absorption of molecules on polymer surfaces ▪ Acceleration of reactions by catalysis
Different functional groups for different applications			
<p>Purification</p> 	<p>Catalysis</p> 	<p>Softening</p> 	

LANXESS Fact Book – Performance Chemicals: Ion Exchange Resins

Membrane technology for high-quality water treatment fits perfectly in ION portfolio

ION – “one stop shop” with membrane technology

Membranes: acting as a barrier for substances dissolved in the water

Technology properties

- Membrane technology for additional high-quality water treatment
- Global market size for membrane technology ~€1 bn, expected to grow ~10% p.a.
- Membrane technology is complementary to ion exchange resins filtration processes:
 - membranes offer additional filtration, e.g. nitrates, heavy metals, pesticides, herbicides, viruses, bacteria
 - membrane filtration is physical vs. ion exchange resins is chemical based

LANXESS Fact Book – Performance Chemicals: Ion Exchange Resins

BU Ion Exchange Resins serves the global water trend

Market environment

Total global demand (2010e)

- Ion exchange resins: ~€800 m
- Membranes: ~€1 bn

Market development (2011-2015)

- Overall CAGR Ion exchange resins: ~4%
 - Asia-Pacific: ~5%
 - EMEA: ~3%
 - Americas: ~3%
- Overall CAGR Membrane: ~10%

Main competitors

- Dow / Rohm & Haas (merger in 2009)
- Mitsubishi Chemicals

Global water supply and demand [bn m³]



LANXESS production sites

- Bitterfeld, Germany
- Leverkusen, Germany
- Jhagadia, India (Q4 2010)

source: LANXESS estimates based on Freedonia/SRI

LANXESS Fact Book – Performance Chemicals: Ion Exchange Resins

Ion Exchange Resins: strong technical and process expertise support ION’s reputation as a premium-quality supplier

 Strengths / opportunities	Weaknesses / challenges 
<ul style="list-style-type: none"> ▪ High technical marketing know-how and service-solution-provider ▪ Global market presence and distribution network ▪ Leadership in monodisperse ion exchange technology ▪ Premium-quality supplier with Lewatit® as well-known brand ▪ Wide technological portfolio ▪ Service and quality ranked among the best in industry ▪ Growing pharma, biotech and food industry 	<ul style="list-style-type: none"> ▪ Currently no complementary technology for water treatment ▪ Dependency on raw material and energy costs ▪ Cyclical nature of ion exchange resins business in some sub segments ▪ Further consolidation of customers in some segments ▪ Relatively long time-to-market for new products due to registration and certification issues

LANXESS Fact Book – Performance Chemicals: Ion Exchange Resins

Financials

Agenda

1. LANXESS – Energizing Chemistry
2. Business Segments
3. Financials
 - Five years overview
 - Quarterly overview
 - Financing
 - Excursion

5 years summary – Balance Sheet

ASSETS – (€ m)	12/31 2010	12/31 2009	12/31 2008	12/31 2007	12/31 2006	12/31 2005
Intangible assets	226	196	145	33	41	53
<i>Property, plant and equipment</i>	2,131	1,809	1,646	1,459	1,465	1,526
Investment in associate	13	26	49	33	5	22
<i>Inv. in other affiliated companies</i>	8	1	2	1	4	4
Non-current derivative fin. assets	3	16	43	0	0	0
Other non-current financial assets	74	79	72	85	37	48
Deferred taxes	170	163	137	93	84	103
Other non-current assets	113	92	134	102	94	79
Non-current assets	2,738	2,382	2,228	1,806	1,730	1,835
Inventories	1,094	849	1,048	895	1,047	1,068
Trade receivables	942	733	725	809	924	1,065
Cash and cash equivalents	160	313	249	189	171	136
Near-cash assets	364	402	0	0	0	0
Current derivative fin. assets	19	29	34	0	0	0
Other current financial assets	58	146	155	200	113	37
Other current assets	291	214	212	150	220	200
Current assets	2,928	2,686	2,423	2,243	2,475	2,506
Total assets	5,666	5,068	4,651	4,049	4,205	4,341
Equity and Liabilities – (€ m)	12/31 2010	12/31 2009	12/31 2008	12/31 2007	12/31 2006	12/31 2005
Stockholders equity	1,761	1,445	1,407	1,525	1,428	1,256
<i>Prov. for pensions a. o. p.-e. ben.</i>	605	569	483	470	520	497
Other non-current provisions	351	307	261	242	271	302
Non-current derivative fin. liab.	11	4	30	0	0	0
Other non-current fin. liabilities	1,302	1,462	983	601	632	644
Non-current tax liabilities	50	47	91	36	38	26
Other non-current liabilities	95	77	46	47	36	32
Deferred taxes	40	38	47	60	57	75
Non-current liabilities	2,454	2,504	1,941	1,456	1,554	1,576
Other current provisions	422	352	395	371	354	401
Current derivative financial liab.	23	26	79	0	0	0
Current financial liabilities	176	94	168	65	50	172
Trade payables	664	486	484	487	602	694
Current tax liabilities	34	52	12	16	36	27
Other current liabilities	132	109	162	129	181	215
Current liabilities	1,451	1,119	1,300	1,068	1,223	1,509
Total equity and liabilities	5,666	5,068	4,648	4,049	4,205	4,341

Note: Additional financial information available at:

<http://corporate.lanxess.com/en/investor-relations/financials/financial-summary/>

LANXESS Fact Book – Financials: Five years overview

5 years summary – P&L

P&L Statement – LANXESS [€ m]	2010	2009	2008	2007	2006	2005
Net sales	7,120	5,057	6,576	6,608	6,944	7,150
<i>Cost of goods sold</i>	(5,381)	(3,956)	(5,115)	(5,147)	(5,404)	(5,537)
Gross profit	1,739	1,101	1,461	1,461	1,540	1,613
Gross margin	24.4%	21.8%	22.2%	22.1%	22.2%	22.6%
Selling expenses	(646)	(530)	(658)	(659)	(766)	(863)
R&D expenses	(116)	(101)	(97)	(88)	(87)	(101)
G&A expenses	(298)	(235)	(270)	(256)	(254)	(285)
Other operating income	189	237	404	317	243	155
Other operating expenses	(261)	(323)	(517)	(560)	(300)	(491)
Other operating income - net	(72)	(86)	(113)	(243)	(57)	(336)
Operating result (EBIT)	607	149	323	215	376	28
Income/expenses from investment	16	8	21	(1)	(16)	(32)
Interest expense – net	(83)	(73)	(36)	(20)	(23)	(41)
Other financial result – net	(47)	(52)	(62)	(22)	(50)	(72)
Financial result	(114)	(117)	(77)	(43)	(89)	(145)
Earnings before taxes (EBT)	493	32	246	172	287	(117)
Income taxes	(112)	7	(63)	(60)	(85)	63
Earnings after taxes	381	39	183	112	202	(54)
Minorities	(2)	1	0	0	(5)	(9)
Net income (loss)	379	40	183	112	197	(63)
Earnings per share [€]	4.56	0.48	2.20	1.32	2.33	(0.75)
EBIT	607	149	323	215	376	28
EBITDA	890	422	602	513	638	341
Exceptionals	28	55	139	257	45	304
D&A exceptionals	0	12	19	51	8	64
EBITDA pre exceptionals	918	465	722	719	675	581
EBITDA pre exceptionals margin	12.9%	9.2%	11.0%	10.9%	9.7%	8.1%
ROCE	17.0%	5.9%	15.4%	17.7%	15.9%	12.9%

Note: Additional financial information available at:
<http://corporate.lanxess.com/en/investor-relations/financials/financial-summary/>

LANXESS Fact Book – Financials: Five years overview

5 years summary – Segment Data

Performance Polymers – Key Figures [€ m]	2010	2009	2008	2007	2006	2005
Sales	3,782	2,388	3,280	2,680	2,571	2,425
EBIT	443	105	208	273	238	152
Depreciation & Amortization	143	137	139	103	100	92
EBITDA	586	242	347	376	338	244
Exceptionals	(1)	9	77	0	2	43
D&A in exceptionals	0	1	11	0	0	0
EBITDA pre exceptionals	585	250	413	376	340	287
EBITDA pre margin	15.5%	10.5%	12.6%	14.0%	13.2%	11.8%
Advanced Intermediates – Key Figures [€ m]	2010	2009	2008	2007	2006	2005
Sales	1,321	1,104	1,310	1,204	1,140	1,161
EBIT	166	95	142	137	136	110
Depreciation & Amortization	56	48	44	37	38	55
EBITDA	222	143	186	174	174	165
Exceptionals	0	11	0	0	0	14
D&A in exceptionals	0	0	0	0	0	14
EBITDA pre exceptionals	222	154	186	174	174	165
EBITDA pre margin	16.8%	13.9%	14.2%	14.5%	15.3%	14.2%
Performance Chemicals – Key Figures [€ m]	2010	2009	2008	2007	2006	2005
Sales	1,978	1,530	1,930	1,970	2,205	2,351
EBIT	209	100	129	183	200	137
Depreciation & Amortization	67	71	82	88	90	93
EBITDA	276	171	211	271	290	230
Exceptionals	5	17	38	16	1	28
D&A in exceptionals	0	6	8	2	0	0
EBITDA pre exceptionals	281	182	241	285	291	258
EBITDA pre margin	14.2%	11.9%	12.5%	14.5%	13.2%	11.0%
Reconciliation – Key Figures [€ m]	2010	2009	2008	2007	2006	2005
Sales	39	35	56	86	115	223
EBIT	(211)	(151)	(157)	(202)	(208)	(337)
Depreciation & Amortization	17	17	14	19	33	46
EBITDA	(194)	(134)	(142)	(183)	(175)	(291)
Exceptionals	24	18	24	45	42	196
D&A in exceptionals	0	5	0	(2)	8	27
EBITDA pre exceptionals	(170)	(121)	(118)	(136)	(141)	(122)

Note: Additional financial information available at:
<http://corporate.lanxess.com/en/investor-relations/financials/financial-summary/>

LANXESS Fact Book – Financials: Five years overview

LANXESS: ongoing efficiency increase

Key Financials [€ m]												
	Q2 11	Q1 11	2010	Q4 10	Q3 10	Q2 10	Q1 10	2009	Q4 09	Q3 09	Q2 09	Q1 09
Sales	2,243	2,073	7,120	1,832	1,847	1,828	1,613	5,057	1,392	1,373	1,238	1,054
EBITDA pre	339	322	918	172	244	269	233	465	144	143	112	66
EBITDA*margin %	15.1	15.5	12.9	9.4	13.2	14.7	14.4	9.2	10.3	10.4	9.0	6.3
EBITDA	334	317	890	157	238	265	230	422	122	130	108	62
EBIT pre	260	251	635	93	175	200	167	204	74	77	50	3
EBIT	255	246	607	78	169	196	164	149	43	64	43	(1)
Capex**	109	68	501	295	107	60	39	275	114	52	57	52
Depr. / Amort.	79	71	283	79	69	69	66	273	79	66	65	63
Employees	15,820	15,115		14,648	14,539	14,419	14,292		14,338	14,604	14,335	14,612

*pre exceptionals; **net of finance lease

LANXESS Fact Book – Financials: Quarterly overview

Performance Polymers: turning strength into value

Key Financials [€ m]												
	Q2 11	Q1 11	2010	Q4 10	Q3 10	Q2 10	Q1 10	2009	Q4 09	Q3 09	Q2 09	Q1 09
Sales	1,281	1,084	3,782	1,010	986	935	806	2,388	725	656	559	448
EBITDA pre	229	199	585	126	144	164	131	250	114	76	52	8
EBITDA*margin %	17.9	18.4	15.5	12.5	14.6	17.5	16.3	10.5	15.7	11.6	9.3	1.8
EBITDA	229	199	586	130	143	163	130	242	117	66	51	8
EBIT pre	191	165	442	91	108	127	97	114	77	42	19	(24)
EBIT	191	165	443	95	107	126	96	105	79	32	18	(24)
Capex**	72	40	302	196	54	32	19	133	52	25	28	28
Depr. / Amort.	38	34	143	35	36	37	34	137	38	34	33	32
Employees	4,811	4,319		4,393	4,357	4,403	4,321		4,375	4,458	4,467	4,569

*pre exceptionals; **net of finance lease

LANXESS Fact Book – Financials: Quarterly overview

Advanced Intermediates: two business units demonstrate reliable resilience

Key Financials [€ m]												
	Q2 11	Q1 11	2010	Q4 10	Q3 10	Q2 10	Q1 10	2009	Q4 09	Q3 09	Q2 09	Q1 09
Sales	395	416	1,321	341	336	347	342	1,104	377	284	285	258
EBITDA pre	65	75	222	63	55	67	57	154	30	40	38	46
EBITDA*margin %	16.5	18.0	16.8	18.5	16.4	19.3	16.7	13.9	10.8	14.1	13.3	17.8
EBITDA	65	75	222	63	55	67	57	143	24	35	38	46
EBIT pre	47	59	166	48	41	53	43	106	17	27	27	35
EBIT	47	59	166	48	41	53	43	95	11	22	27	35
Capex**	20	13	69	34	24	7	5	53	30	6	8	9
Depr. / Amort.	18	16	56	15	14	14	14	48	13	13	11	11
Employees	2,882	2,886		2,791	2,805	2,815	2,830		2,858	2,918	2,517	2,520

*pre exceptionals; **net of projects financed by customers

LANXESS Fact Book – Financials: Quarterly overview

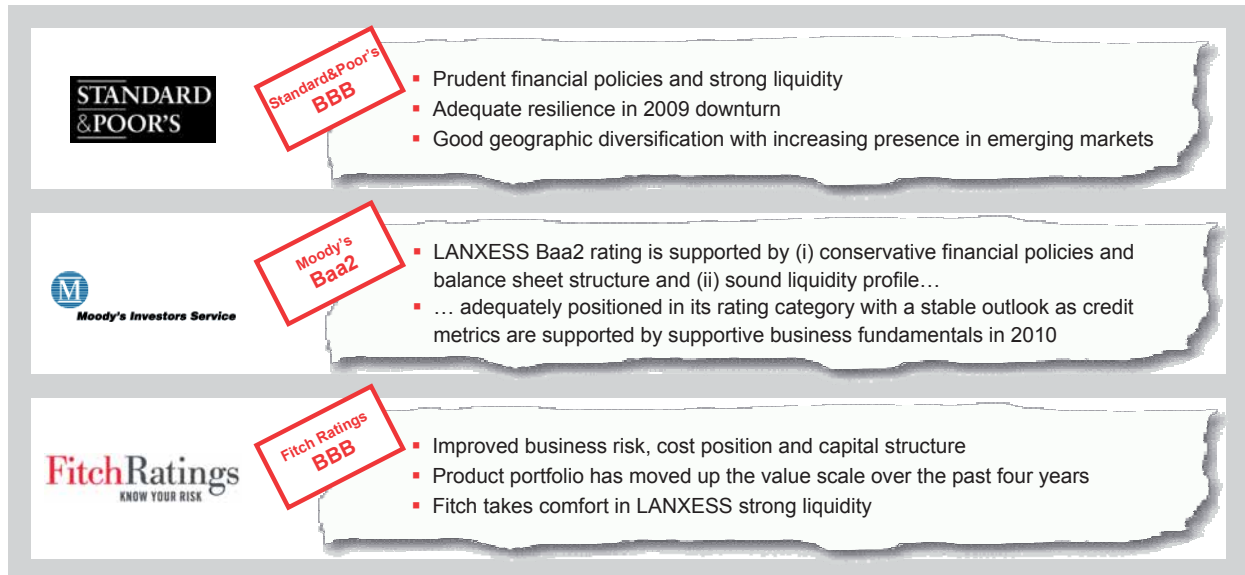
Performance Chemicals: profitable growth in various niche markets

Key Financials [€ m]												
	Q2 11	Q1 11	2010	Q4 10	Q3 10	Q2 10	Q1 10	2009	Q4 09	Q3 09	Q2 09	Q1 09
Sales	561	556	1,978	471	515	537	455	1,530	382	425	385	338
EBITDA pre	95	90	281	36	83	84	78	182	32	67	44	39
EBITDA*margin %	16.9	16.2	14.2	7.6	16.1	15.6	17.1	11.9	8.4	15.8	11.4	11.5
EBITDA	95	90	276	31	83	84	78	171	26	62	45	38
EBIT pre	76	72	214	18	67	67	62	117	16	51	28	22
EBIT	76	72	209	13	67	67	62	100	4	46	29	21
Capex	14	14	114	57	25	18	14	80	29	19	19	13
Depr. / Amort.	19	18	67	18	16	17	16	71	22	16	16	17
Employees	5,515	5,309		4,907	4,832	4,757	4,684		4,675	4,865	4,865	4,997

*pre exceptionals

LANXESS Fact Book – Financials: Quarterly overview

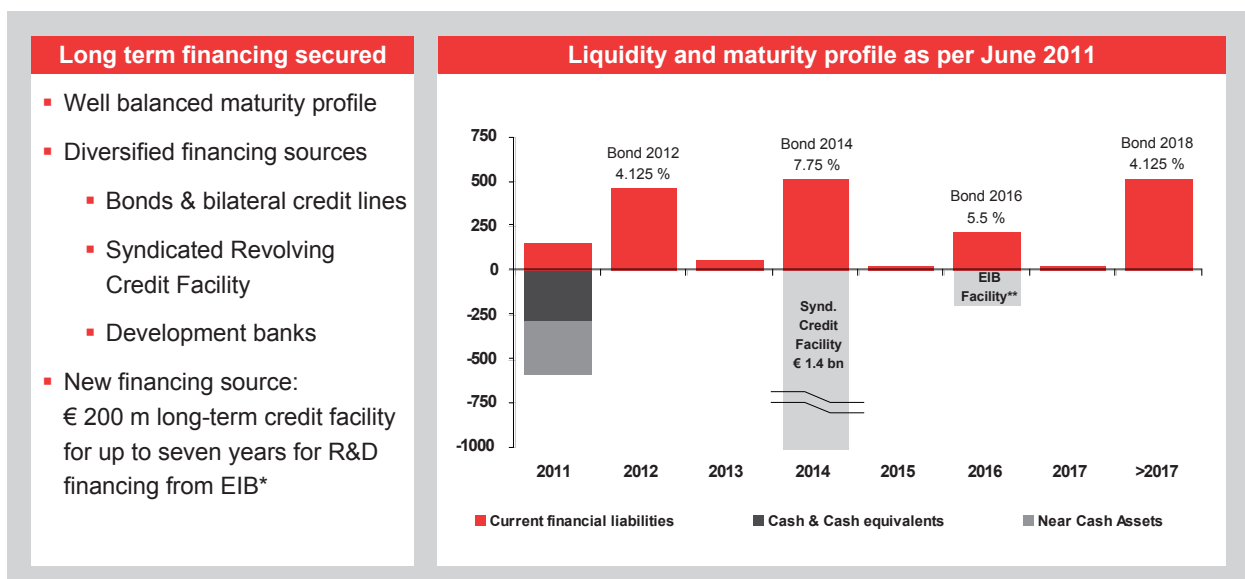
Rating agencies confirm LANXESS' achievements – resilience during crisis and supporting business fundamentals in 2010



source: rating agencies

LANXESS Fact Book – Financials: Financing

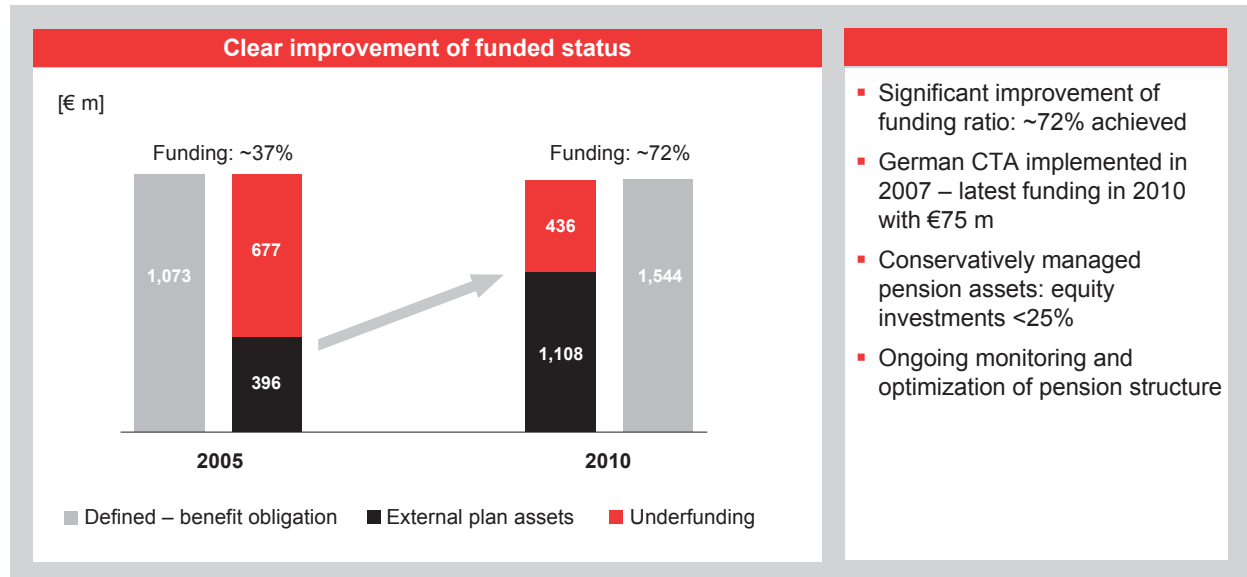
A well managed and conservative maturity profile



* European Investment Bank; **Final maturity of EIB financing in case of utilization in 2016 or later; EIB facility currently undrawn

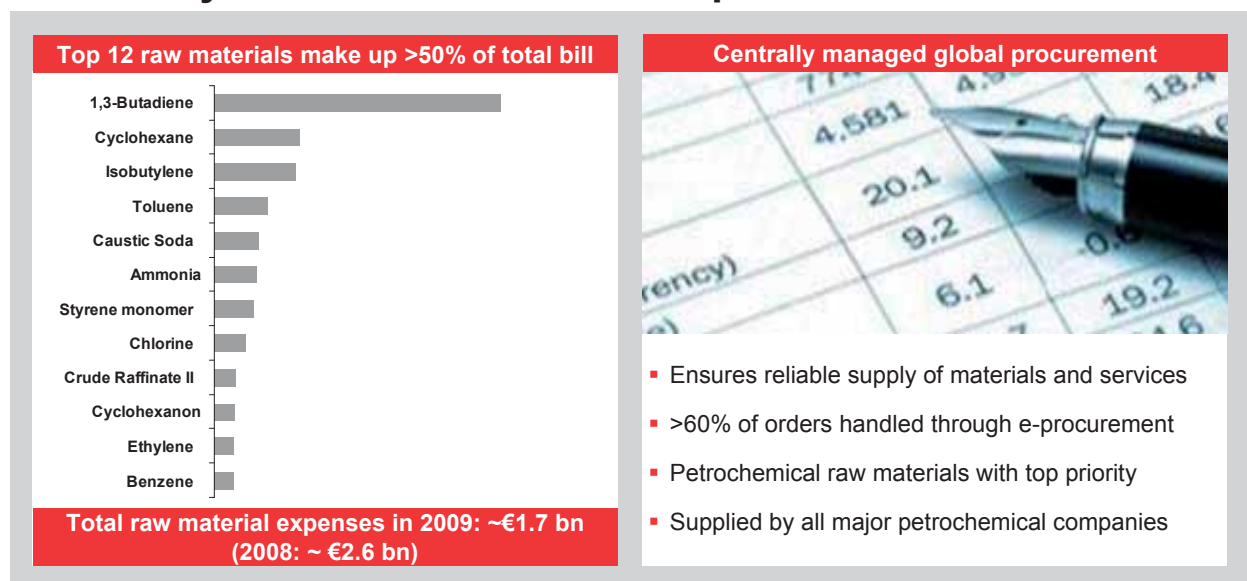
LANXESS Fact Book – Financials: Excursion

LANXESS pension obligations under tight control



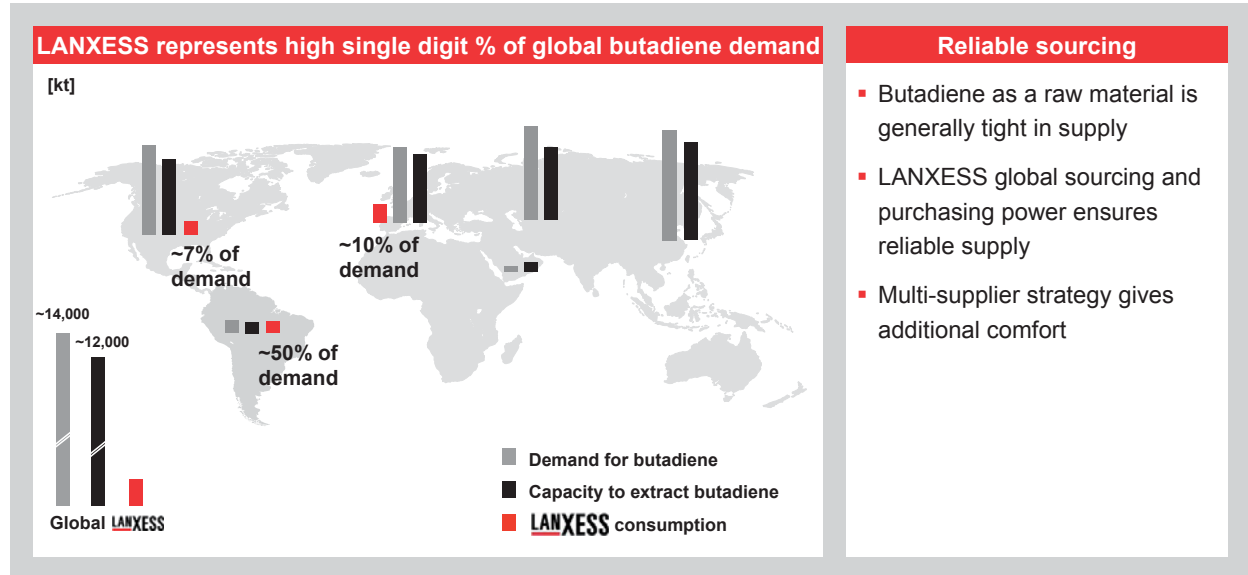
LANXESS Fact Book – Financials: Excursion

LANXESS runs a global sourcing strategy in order to ensure availability of raw materials at best prices



LANXESS Fact Book – Financials: Excursion

LANXESS is globally the largest butadiene buyer – purchasing power secures supply



source: ICIS Cracker Report with McKinsey LXS Model

LANXESS Fact Book – Financials: Excursion

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