



LANXESS Capital Markets Day 2010 – Energizing Chemistry for Accelerated Growth

Axel C. Heitmann, CEO

Duesseldorf, September 16, 2010

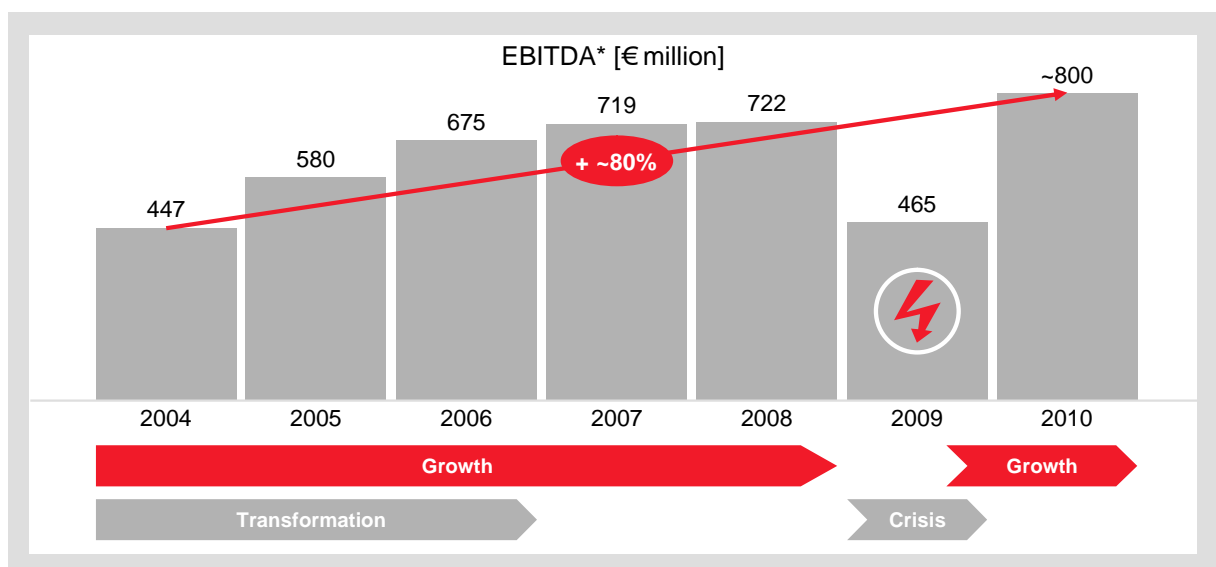
Agenda

- **Strong platform for growth**
- Capitalizing on four megatrends
- Strategy for sustainable growth
- Promising outlook and ambitious targets

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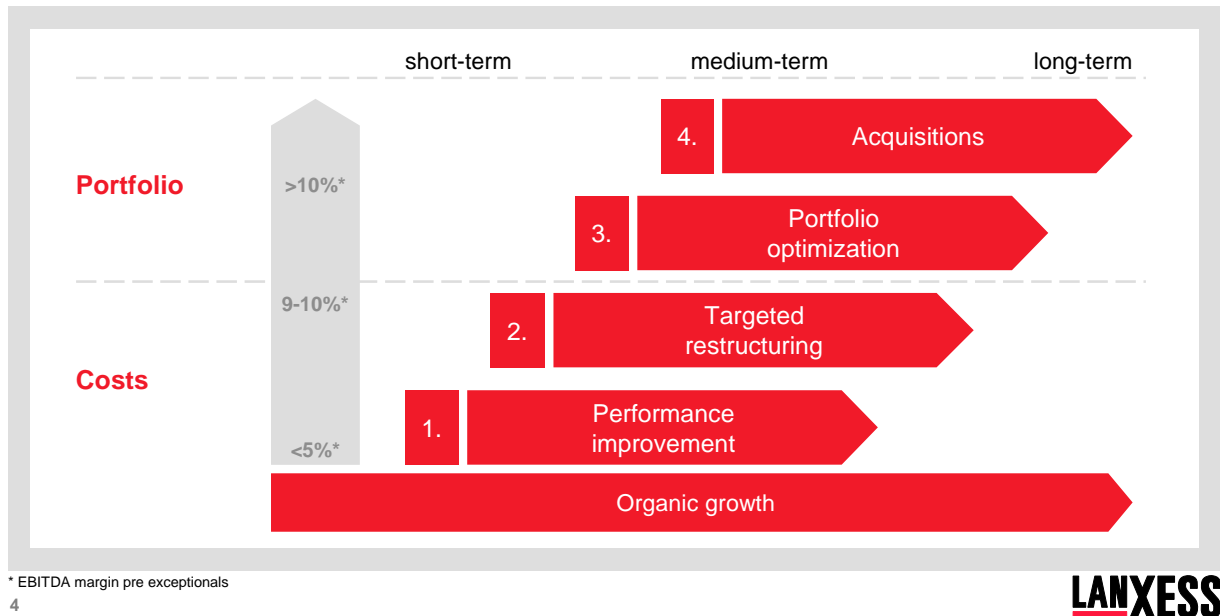
2004-2010 transformation and growth: + ~80% EBITDA*



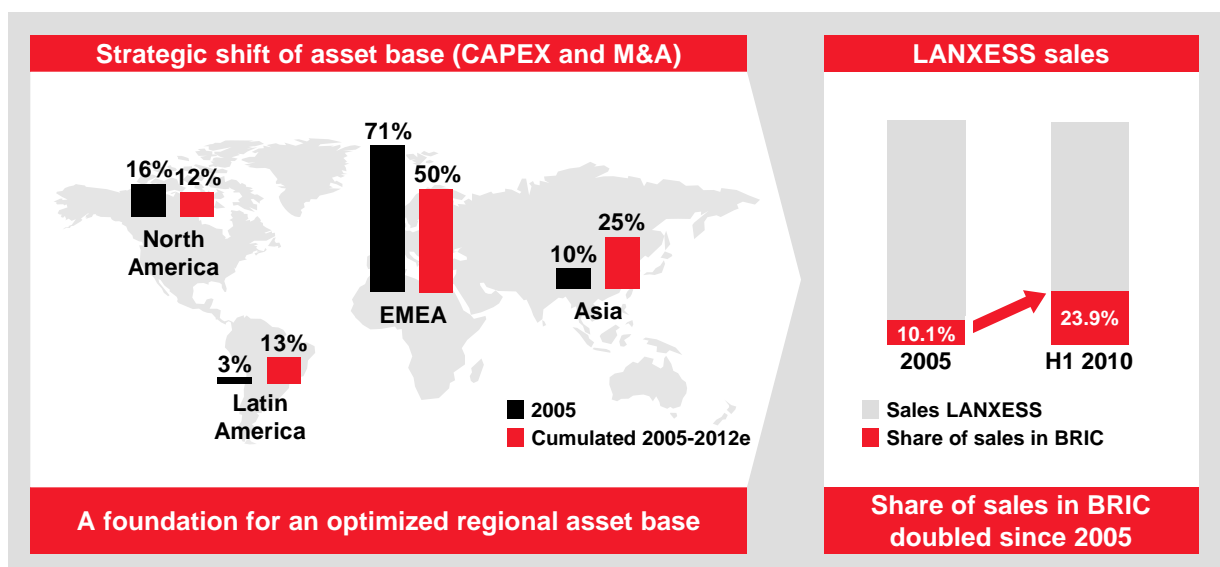
* Pre exceptionals
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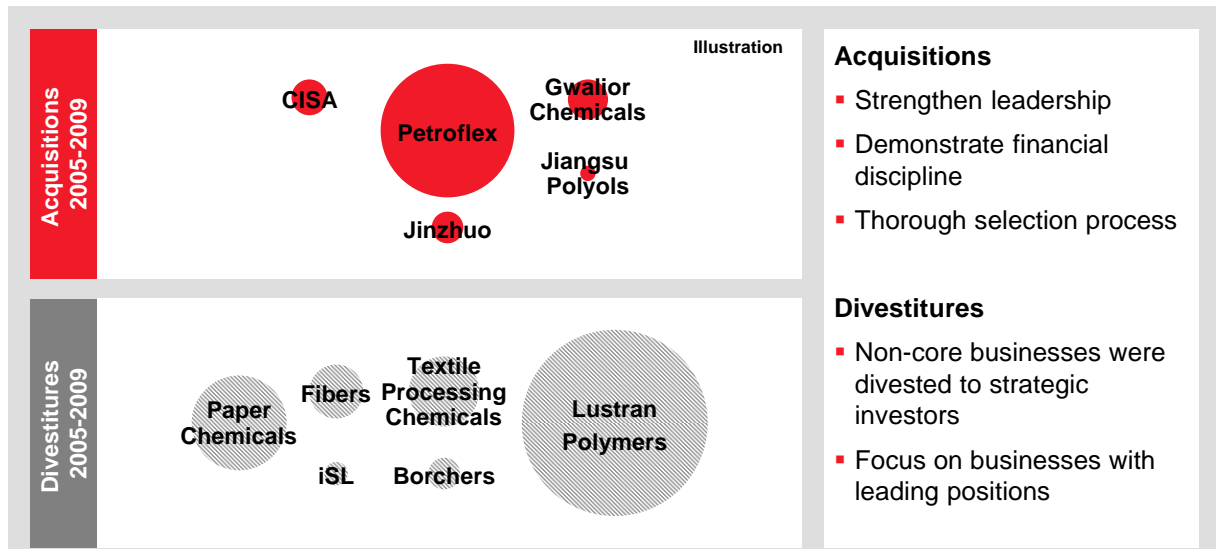
Consistent delivery of four-phase strategy since 2004



Strong focus on growth markets



Portfolio transformation led to higher earnings growth

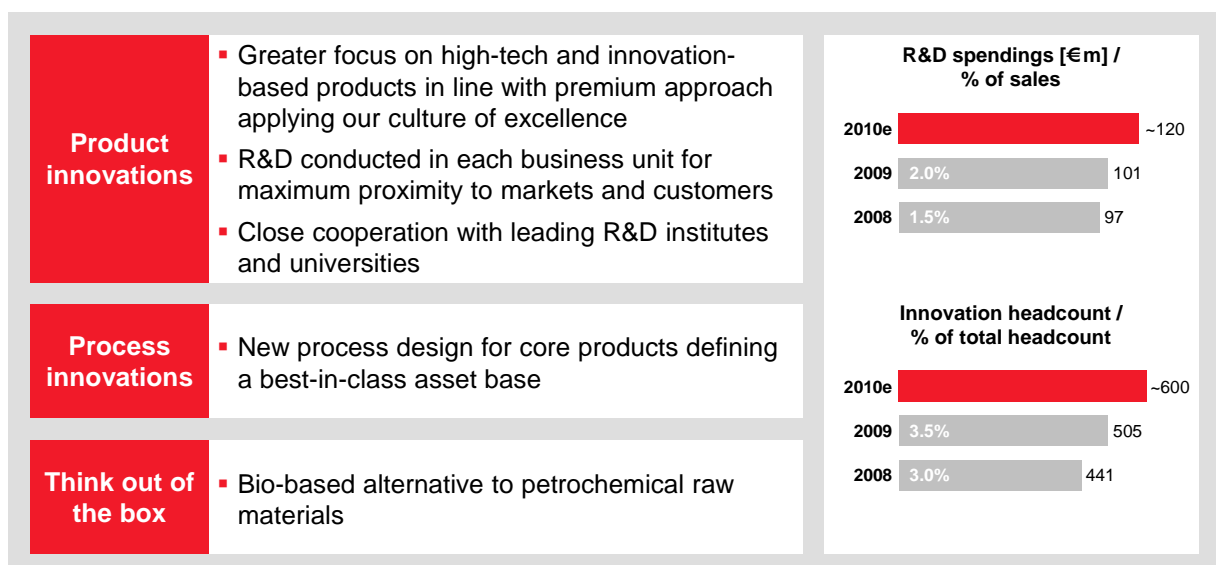


Note: Bubble size represents sales

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Culture of innovation drives LANXESS growth



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Focus on premium products enables robust pricing power

Marketing & sales

- Targeted repositioning of products towards innovative, high-value premium solutions
- Providing premium products and solutions with added-value for the customer
- Effective brand strategy supported premium positioning
- Examples of “gold standard”:



Successful marketing of premium products



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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

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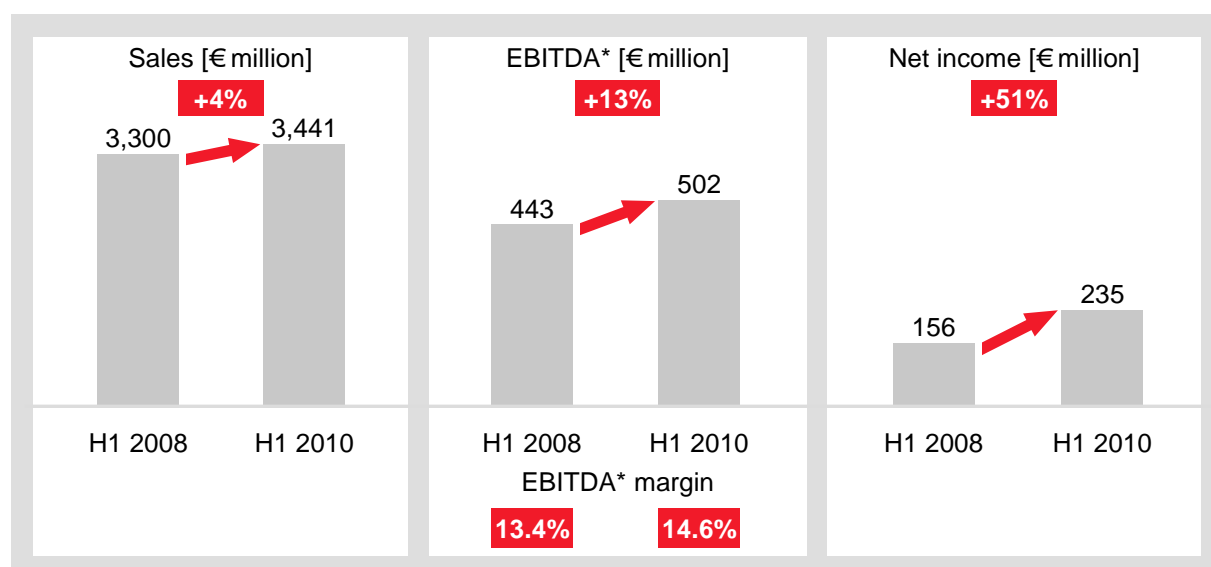
Effective crisis management

Stabilization measures	<ul style="list-style-type: none"> ▪ Challenge09-12 program <ul style="list-style-type: none"> - Reduction in fixed and variable compensation for all employees worldwide including the Board of Management - Salary increases deferred for all employees worldwide including the Board of Management ▪ Flexible asset and cost management <ul style="list-style-type: none"> - Systematic adjustment of production to mirror drop in demand 	<p>Challenge12</p>  
Result	<ul style="list-style-type: none"> ▪ Total projected savings (2009-2010): €290 million 	

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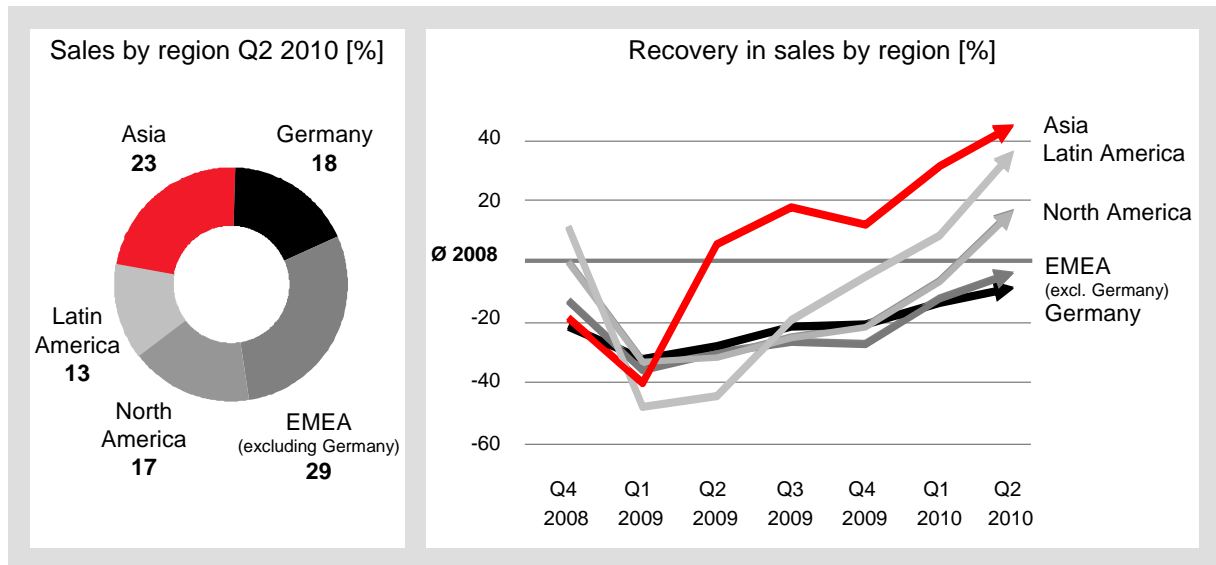
H1 2010 better than H1 in strong pre-crisis year 2008



* Pre exceptionals
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Benefiting from strong position in growth markets




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Strong platform for growth

- Higher-margin portfolio**
- Flexible and globally competitive cost structures**
- Strong regional mix with focus on BRIC**
- Entrepreneurial performance-driven culture**



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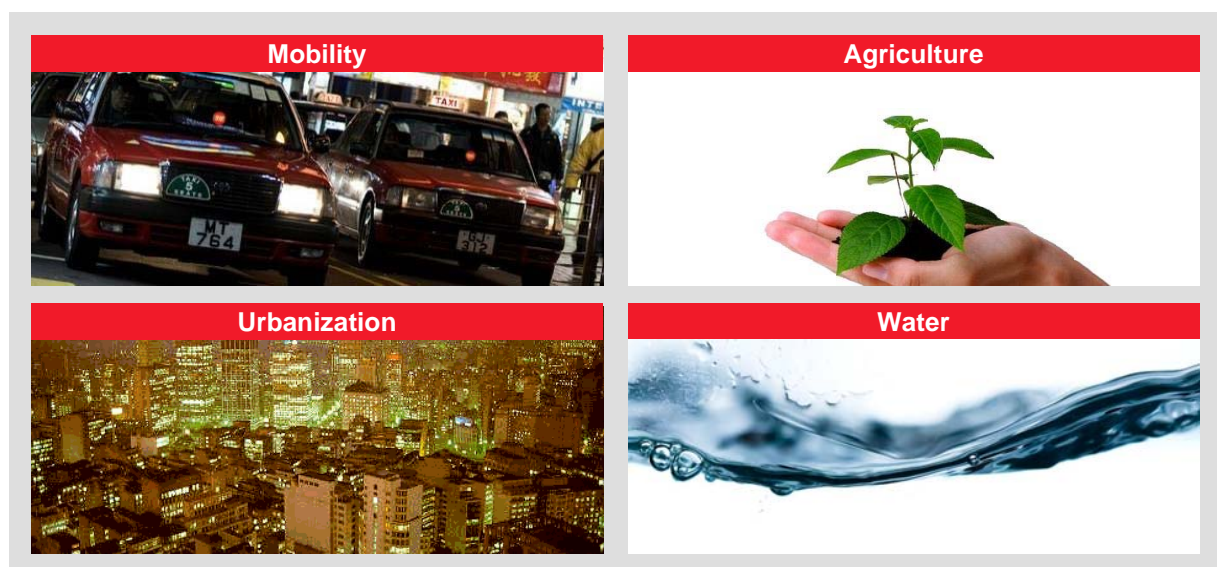
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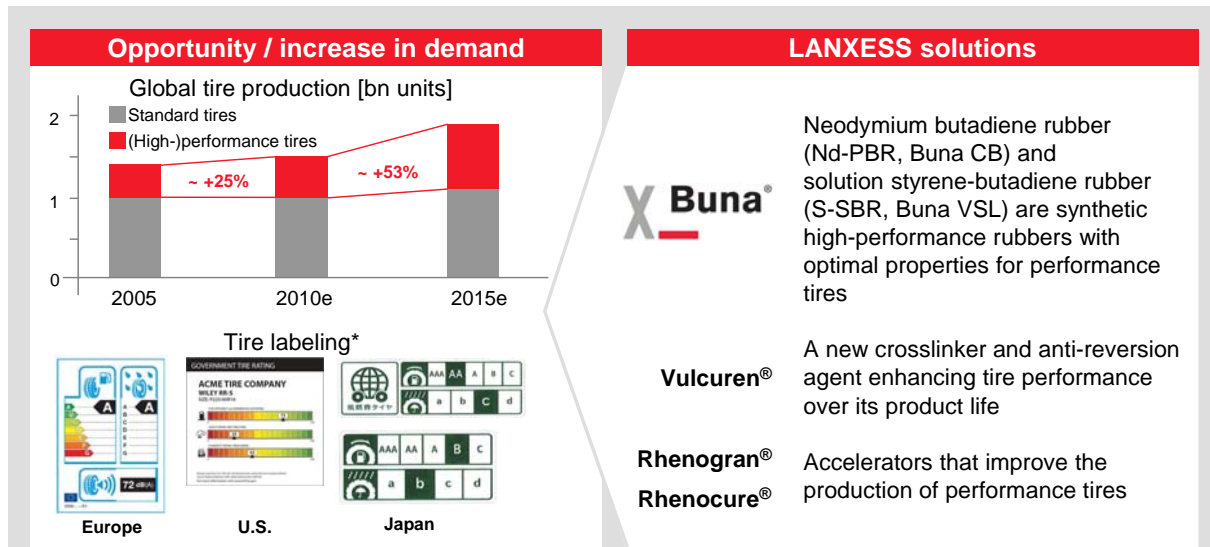
LANXESS capitalizing on global megatrends



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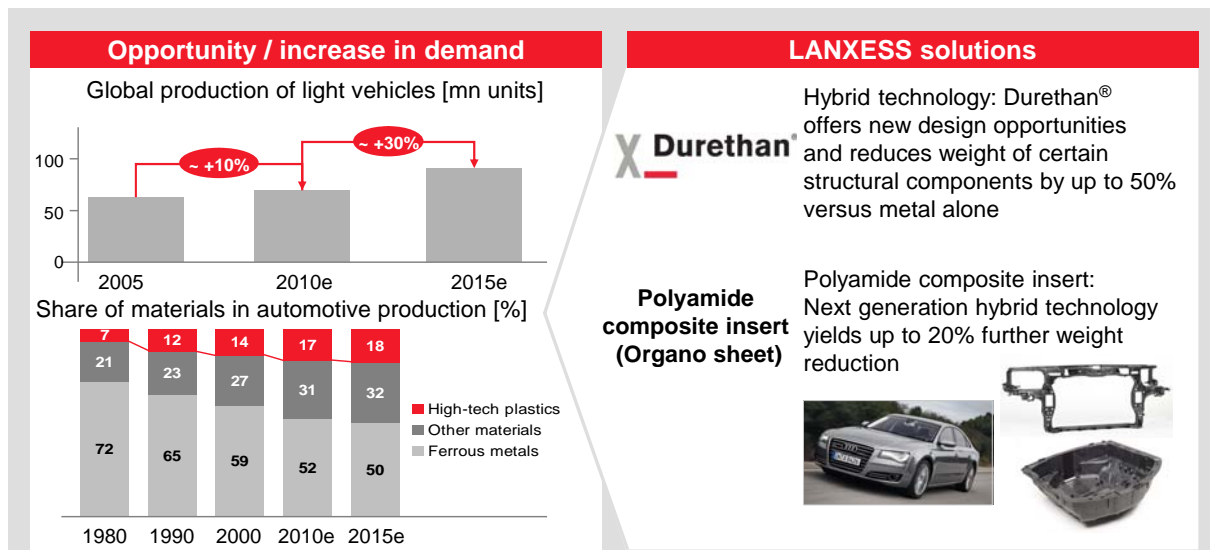
Innovative solutions required for tires



Sources: LANXESS estimates based on LMC; * EU: General Safety Regulation 661/2009 published July 2009, implementation to be completed by December 2010; U.S.: proposed; Japan: Total coverage aimed by end of December 2011



New technologies reduce vehicle weight and improve performance



Sources: JD Power; Polymotive; PlasticsEurope; LXS estimates



Leading solution provider to agrochemicals



Opportunity / increase in demand	LANXESS solutions
<p>Grain* demand [bn tons]</p> <p style="text-align: right; color: red; font-weight: bold;">CAGR* 1.5%</p> <p style="text-align: center;">Chemical crop protection is serving efficiency increase to meet demand in volume growth of grain</p>	<p>Leading worldwide outsourcing partner for the agrochemical players</p> <p>saltigo <small>customized competence</small></p> <ul style="list-style-type: none"> ▪ Technology leadership in high-end and complex chemistry ▪ Rapid ramp-up capabilities <p>Basic Chemicals Leading supplier of Isocyanate intermediates for agrochemicals</p> <p>Levanyl® Seed colorants embraced by our customers</p> <p>Levanox®</p>

Sources: USDA, Syngenta, LANXESS prognosis; * Grain = corn, soya, wheat and rice; **CAGR=Compound Annual Growth Rate (2008-2025)



Improved living standards in expanding urban areas fuel growth for LANXESS specialty chemicals

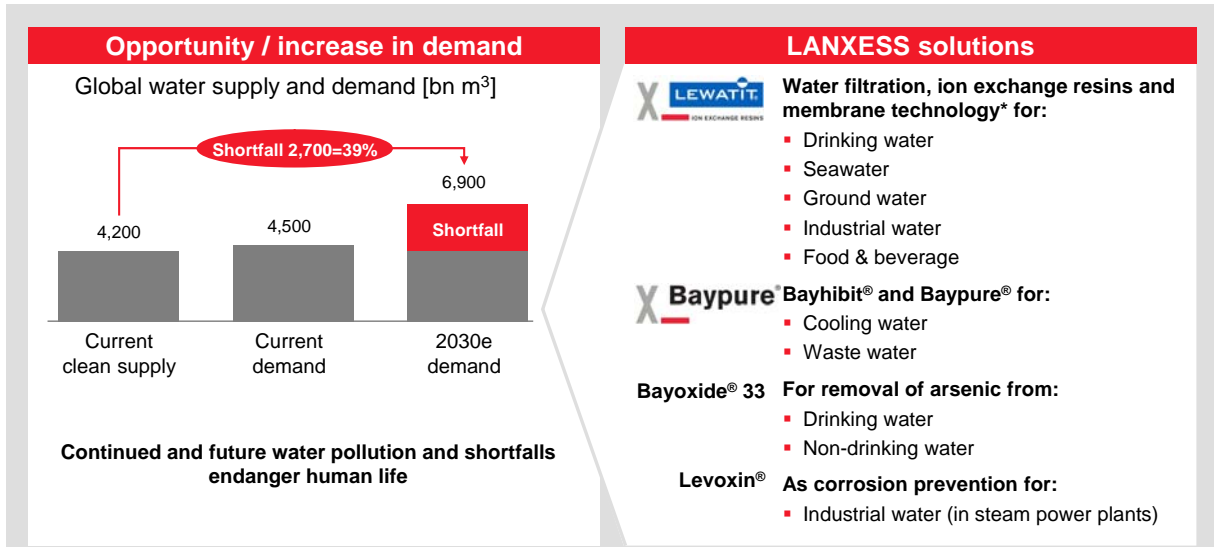


Opportunity / increase in demand	LANXESS solutions
<p>Urban population worldwide [bn]</p> <p style="text-align: center; color: red; font-weight: bold;">+ ~40%</p> <p>Consumer households worldwide [bn]</p> <p style="text-align: center; color: red; font-weight: bold;">+ ~70%</p>	<p>Non-hazardous, environmentally friendly pigments for use in construction materials</p> <p>X BAYFERROX <small>color for life</small></p> <p>X Tanigan® Additives for fashionable high-quality leather</p> <p>X PREVENTOL Biocidal and disinfectant formulations</p> <p>X Mesamoll® Phthalate-free plasticizers</p> <p>X Disflamoll® Halogen-free flame retardants</p>

Sources: United Nations 2010; McKinsey 2010



Addressing global water management



Sources: Charting our Water Future, The 2030 World Water Resource Group; * Plant under construction
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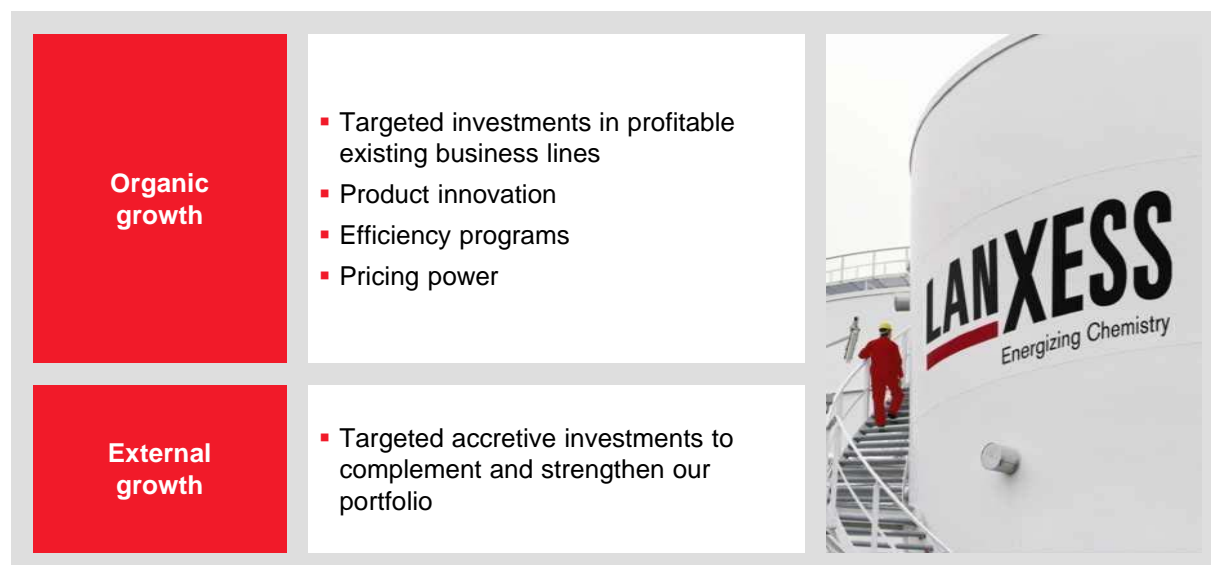


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- Promising outlook and ambitious targets



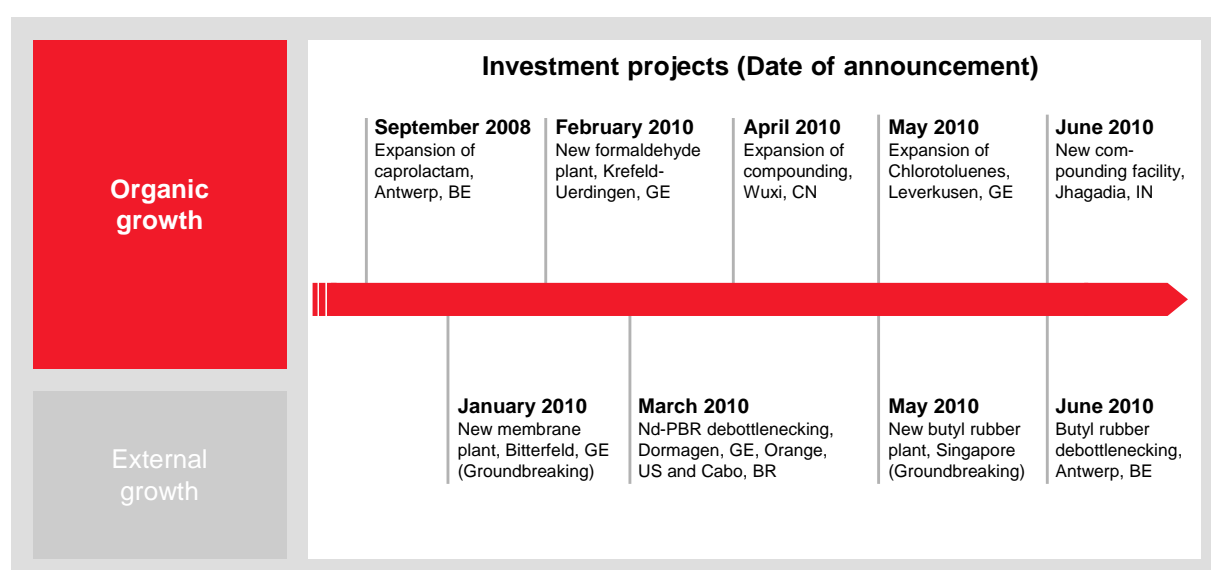
Dual-track growth strategy



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Global reach through ongoing targeted investments



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Feasibility study for additional growth project in Asia

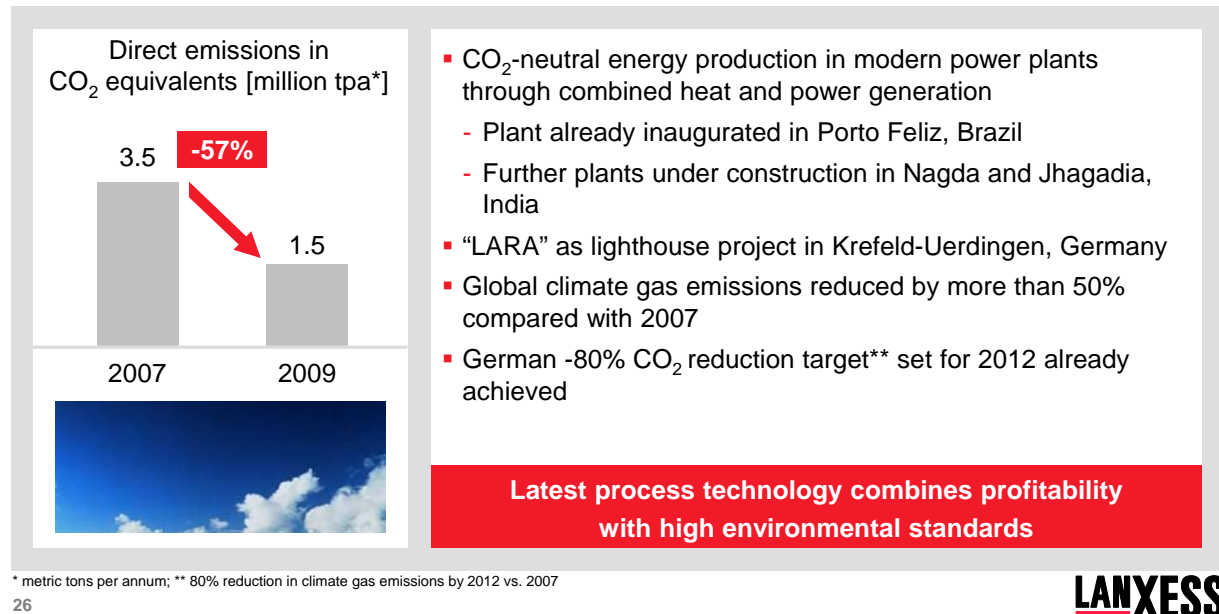
<p>Organic growth</p>	<p>New Nd-PBR plant in Asia</p> <ul style="list-style-type: none"> ▪ Global growth for Nd-PBR is projected to be ~10% p.a. ▪ Projected global demand to exceed supply by 2014 ▪ Nd-PBR is essential for high-performance tires ▪ LANXESS owns leading Nd-PBR product and production technology ▪ Additional capacity of 100-150 kt high-tech Nd-PBR in Asia 	<p>Tire labeling*</p> 
<p>External growth</p>	<p>Final decision within next six months</p>	

* EU: General Safety Regulation 661/2009 published July 2009, implementation to be completed by December 2010; U.S.: proposed; Japan: Total coverage aimed by end of December 2011

Targeted acquisitions

<p>Organic growth</p>	<ul style="list-style-type: none"> ▪ Strengthen portfolio Small to mid-sized businesses to strengthen our portfolio ▪ Complement portfolio Attractive mid-sized businesses to broaden our portfolio ▪ Essential criteria <ul style="list-style-type: none"> - Cultural fit - Apply our competencies - Accretive to financial metrics 	
<p>External growth</p>	<p>Accretive acquisitions</p>	

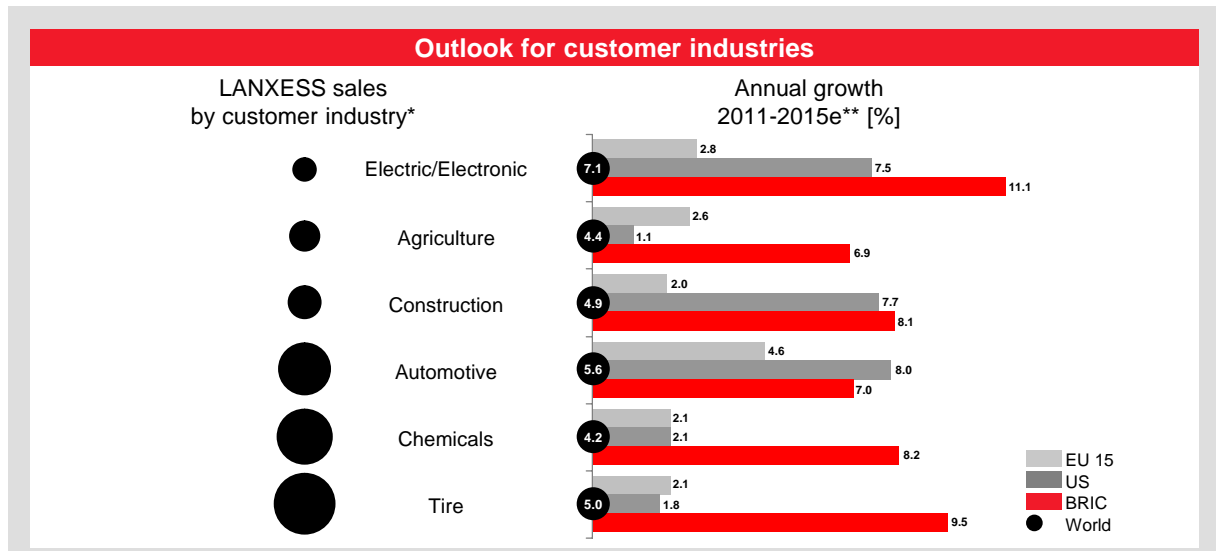
Continuous investment in sustainable growth



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LANXESS customer industries with excellent prospects

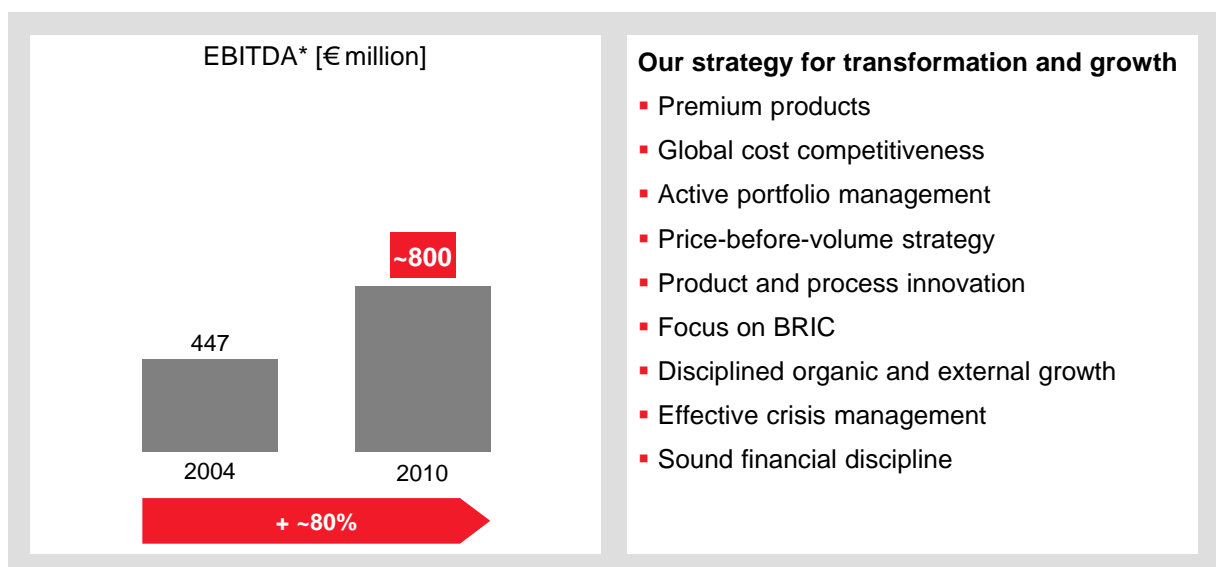


Sources: Global Insight; J.D. Power; LMC; * Bubble size represents sales, selection; ** Overall industry market growth (CAGR=Compound Annual Growth Rate)

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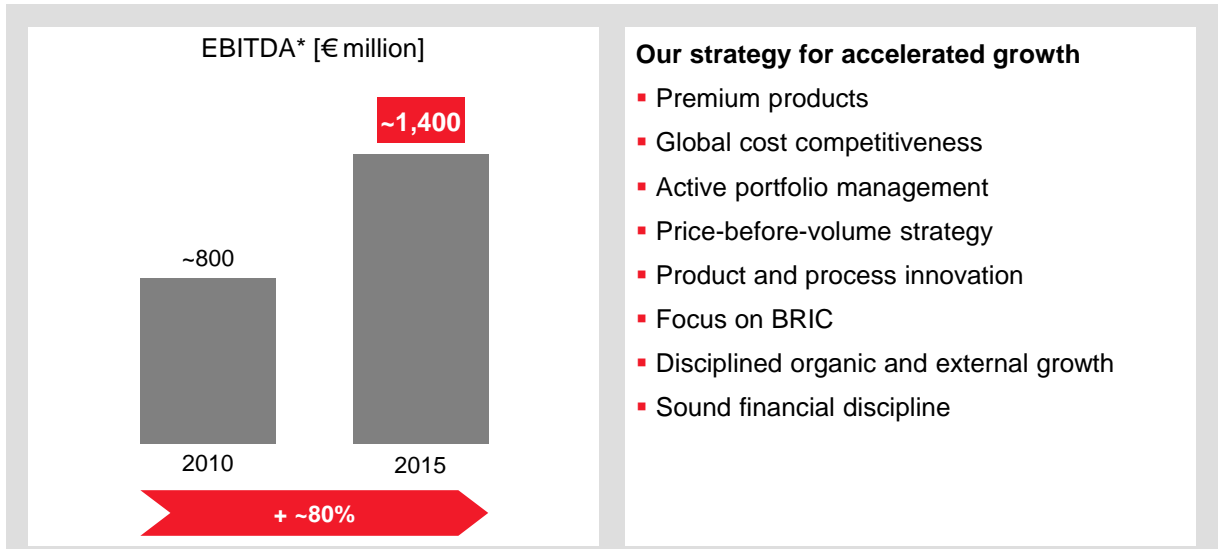
Transformation and growth: + ~80% EBITDA* since 2004



* Pre exceptionals
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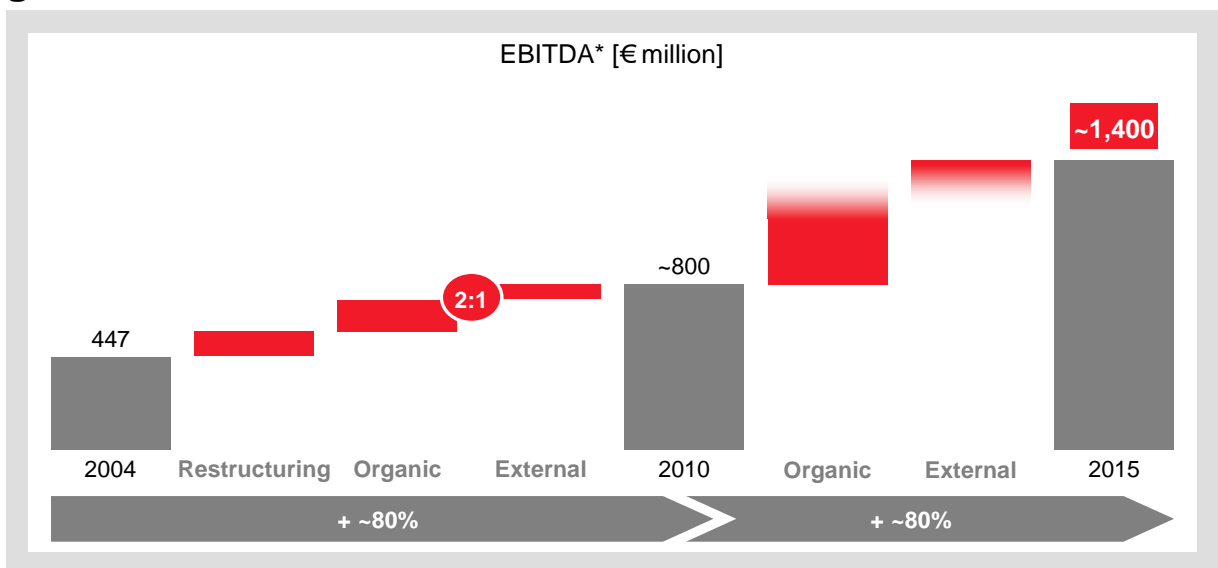
Additional ~80% EBITDA* increase to ~€1.4 billion in 2015



* Pre exceptionals
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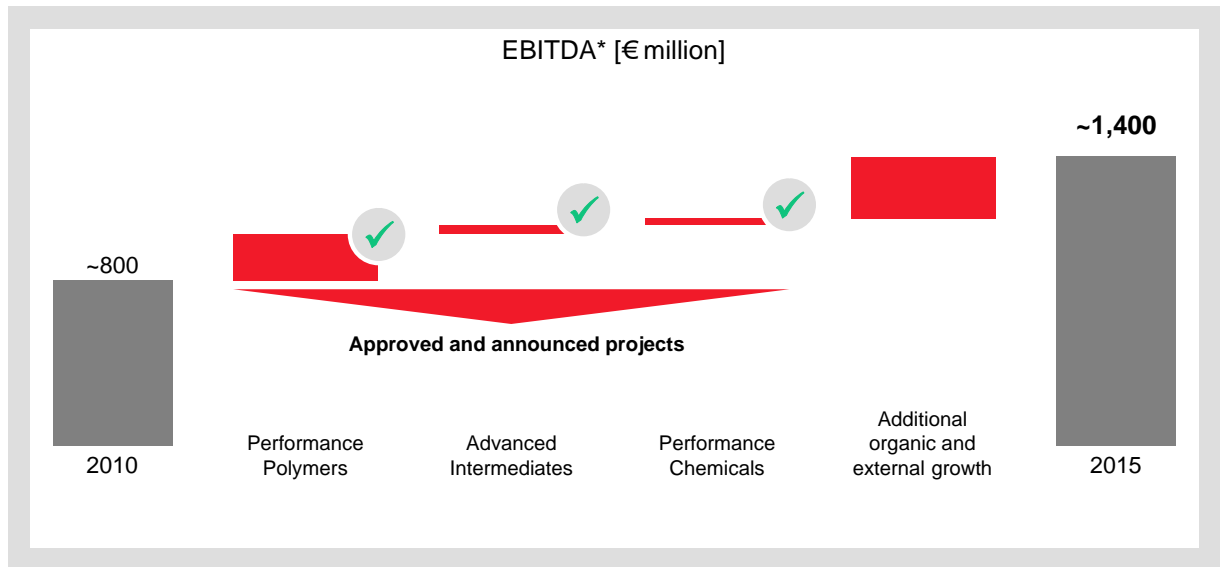
~€1.4 billion EBITDA* in 2015 through disciplined and targeted growth



* Pre exceptionals
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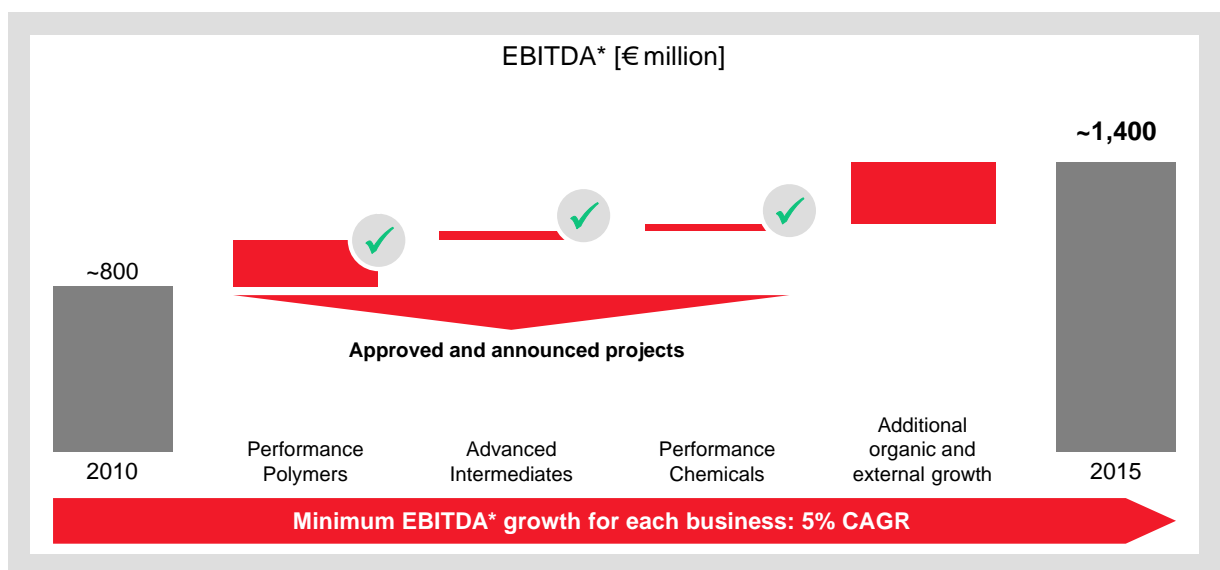
On track to reach growth target in 2015



* Pre exceptionals
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Each business to contribute to EBITDA* growth



* Pre exceptionals
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Ambitious growth target for 2015



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