


Business Unit



What makes the Business Unit MPP a pearl?

- Premium niche business ✓
 - High and sustainable profitability ✓
 - Growth well above GDP ✓
 - Market with high entry barriers ✓
 - Small asset base, leading technology and strong development capabilities ✓
-  MPP is a pearl in LANXESS' business portfolio ✓

2

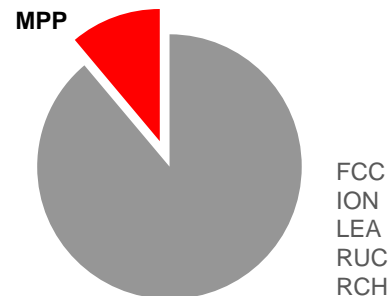


Material Protection Products is a highly profitable niche business...

- Sales: < €200 million
- Employees: ~ 270
- Customers: > 1300
- Products: ~ 150
- Main Brand: 



MPP within Performance Chemicals

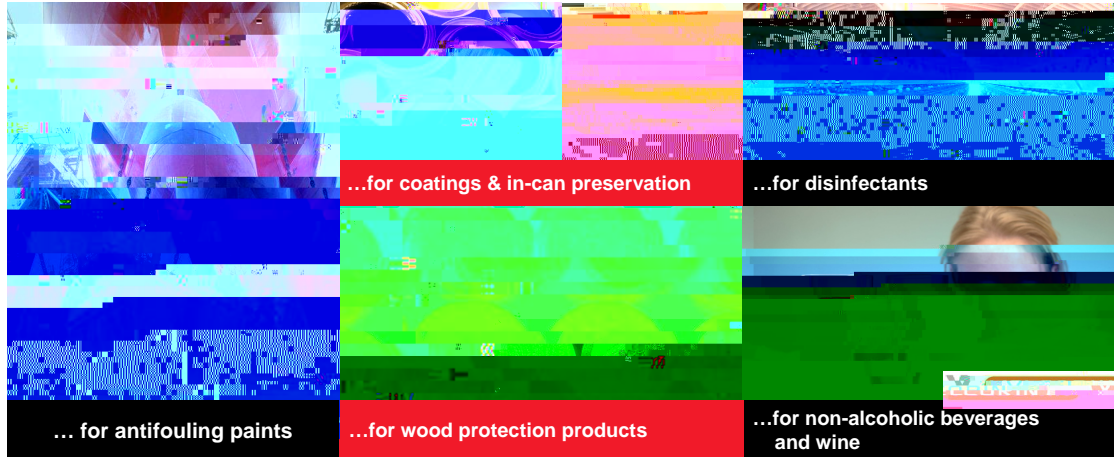


MPP share of Performance Chemicals segment sales (2006)

3

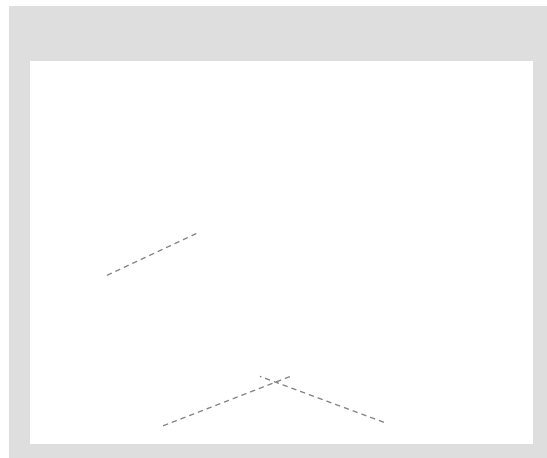


... offering biocides and preservatives, dedicated to ensuring a better quality of life and saving resources



4

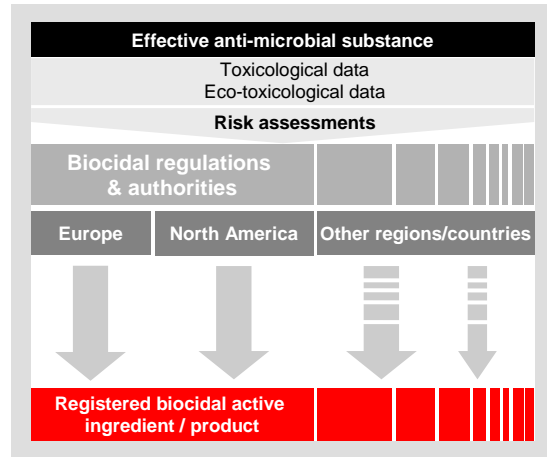
- Global relevant market size approx. 3 bn €
- Seasonal, mostly non-cyclical market with growth above GDP
 - Search for higher quality of life and safety (e.g. beverage technologies)
 - Substitution trend towards next generation products (e.g. copper replacement)
- Top 10 players account for 30 % of the global market (e.g. Arch, Dow, LANXESS, Lonza, Rohm and Haas, Thor)



5

Registrations constitute high entry barriers to markets

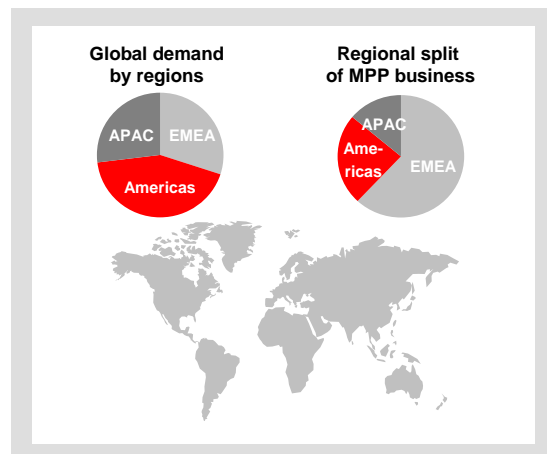
- Registrations work like a “sales license” and govern access of suppliers to markets
- MPP combines excellent regulatory expertise with effective marketing
- Regulations drive market developments and consolidation trends
- MPP holds and develops a comprehensive portfolio of registrations
- With a strong regulatory group MPP is able to effectively support its business and customers



6

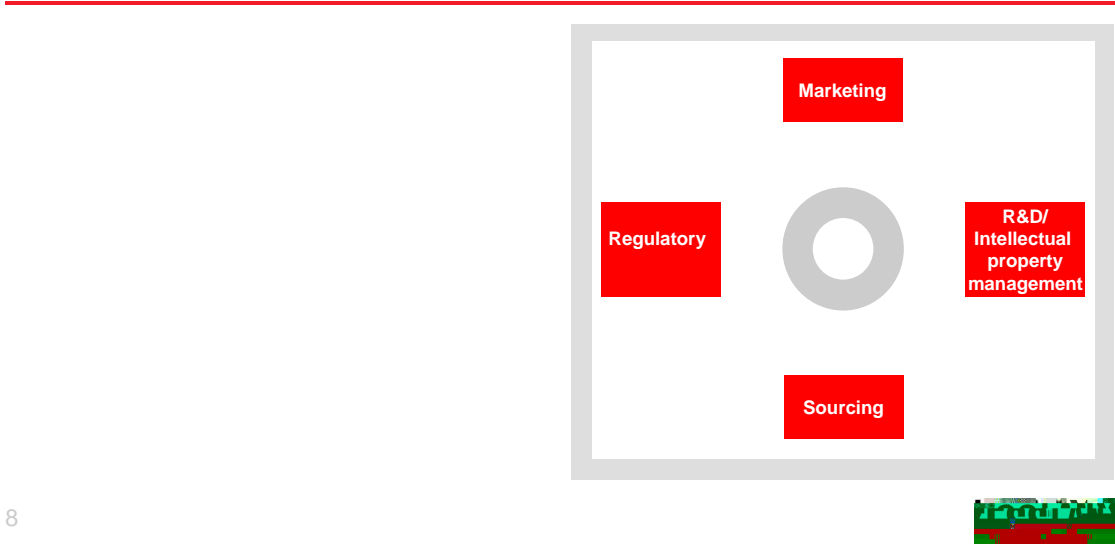


- Implementation of the European Biocidal Products Directive allows MPP increased market penetration in Europe
- North America, as largest biocide market, still offers excellent growth opportunities for MPP
- Asia-Pacific offers long-term growth potential depending on application and regulatory standards
- MPP present in all key regional markets – with regional technical centers, formulation plants



7





8



MPP: A successful business with many profitable growth opportunities!

Market Position	Leading positions in attractive market segments	✓
Profitable Growth	Increased global sales coverage and market penetration are ensuring profitable growth	✓
Expertise	Comprehensive portfolio of products, formulations and services sustain successful business development	✓
Registrations	Regulatory expertise and portfolio of registrations ensure strong position in a market with high entry barriers	✓

10



This presentation contains certain forward-looking statements, including assumptions, opinions

