



## LANXESS Q1 2005 Financial Summary for Investors and Analysts

- Sales increased by 7.4% from €1.610 bn to €1.729 bn mainly driven by price increases
- EBITDA pre exceptionals improved by 9.7% to €181 million
- New pricing strategy shows first results
- Outlook is on track for further step towards 2006 targets

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### Business Overview

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#### LANXESS Group

- Sales Deviation: Price: +9%, Volume -1%, Currency -1% (approximate numbers)
- Improved profitability due to price-passthrough in a quarter that should usually be the strongest quarter
- Reconciliation "segment":
  - As announced in November 2004, we have now changed the allocation methodology to foster BU accountability
  - Historically, parts of corporate center expenses have been allotted pro rata to the operating businesses. In 2004 this amounted to ~€16 million per quarter
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- Turnaround achieved in PBR due to a new business approach and a more favorable product mix
- TRP with still moderate Q1 performance compared to BTR and PBR

#### Engineering Plastics

- Sales Deviation: Price: +15%, Volume -12%, Currency -1%

(approximate numbers)

- Only slightly higher sales as clear focus remains on performance improvement
- Voluntary loss of unprofitable sales volume mainly in STY; relatively weak business in FIB
- Strong first quarter in SCP primarily due to selling price improvement and easing raw material prices (basically cyclohexane)
- Exceptionals of €2 million due to Capex write-offs in STY

#### Chemical Intermediates

- Sales Deviation: Price: +6%, Volume +1%, Currency -1% (approximate numbers)
- Sales growth driven by higher prices (to compensate for higher raw material costs) and volumes in BAC which continued to perform very well
- Slight volume decrease in IPG mainly due to a strong winter impacting demand in construction industry
- Exceptionals of €3 million due to Capex write-offs in FCH





- Financial Overview

		LANXESS AG																	
in € million		LANXESS			Perf. Rubber			Eng. Plast.			Chem. Intern.			Perf. Chem.			Recon.		
		2004	2003	% chg.	2004	2003	% chg.	2004	2003	% chg.	2004	2003	% chg.	2004	2003	% chg.	2004	2003	% chg.
Revenue		115	100	15%	100	90	11%	100	90	11%	100	90	11%	100	90	11%	100	90	11%
Volume*				-1%			6%			-1%			1%			-1%			n.m.
Currency**				-1%			-1%			-1%			-1%			-1%			n.m.
Deprec. & amortizat.		76	115	66%	12	41	100%	3	14	>100%	48	47	-2%	33	43	30%	-28	-33	53%
DA		95	65	-32%	20	15	-25%	19	11	-39%	33	15	-45%	22	15	-32%	2	6	>100%
Exceptionals in EBITDA		165	18	10%	32	56	75%	21	35	67%	81	65	-20%	55	58	5%	-24	-33	38%
DA pre excep.		0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%
Normalized D&A		165	181	10%	32	56	75%	21	35	67%	81	65	-20%	55	58	5%	-24	-33	38%
pre excep.		95	60	-37%	20	15	-25%	18	9	-50%	33	15	-55%	22	15	-32%	2	6	>100%
Exceptionals in EBIT		70	121	73%	12	41	>100%	3	26	>100%	48	50	4%	33	43	30%	-26	-39	50%
		0	-5	n.m.	0	0	0%	0	-2	n.m.	0	-3	n.m.	0	0	0%	0	0	0%
Capex		50	51	2%	11	9	-18%	9	5	-44%	10	9	-10%	11	12	9%	9	16	78%
Financial debt		1135**	1234	9%															

Approximate numbers  
Dec. 31, 2004

\* appr  
\*\*per l