

LANXESS - Q1 2006 Results

Transformation on Track

May 18, 2006

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Chart-No. 2

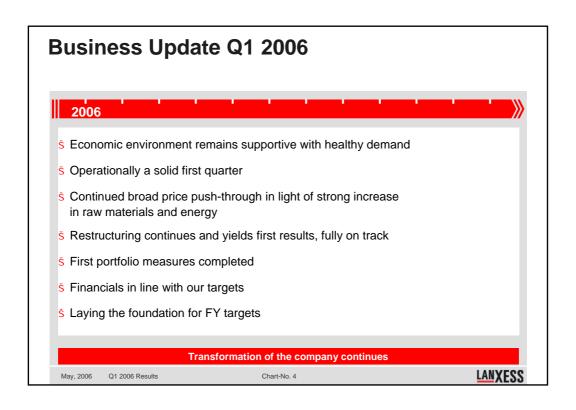
Agenda

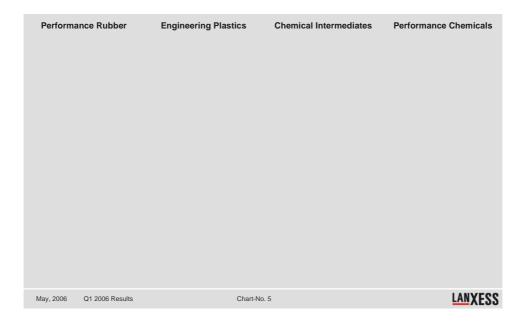
- 1. Business Highlights Q1 2006
- 2. Financials Q1 2006
- 3. Outlook and Guidance

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Chart-No. 3

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Q1 2006 Financial Highlights: Improving Profitability While Balance Sheet Remains Solid

(€m)	Q1 2005	Q1 2006	Δ in %	
Sales		1,836	6.2%	 Selling price increases
EBITDA pre except. Margin		205 11.2%	13.3%	amid continuous good demand and risen input costs for raw materials
Net Income		82	17.1%	and energyFurther reduction of net
Net Financial Debt		647		financial debt on the basis of good operating results
Working Capital		1,464		- Majority of FY capex will
Сарех		37		be spent during the next three quarters, guidance remains unchanged
Employees		17,180		romano anonangoa
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Q1 Performance Improvement Shows Ability to Accomplish 2006 Targets

(€m)	Q1 2005	Q1 2006	∆ in %
Sales	1,729	1,836	6%
Cost of sales	-1,287	-1,399	9%
SG&A	-282	-265	-6%
R&D	-26	-22	-15%
Other op. income/ expense	-18	-25	39%
thereof exceptionals	-5	-18	>100%
EBIT	116	125	8%
Net Income	70	82	17%
EBITDA	181	187	3%
thereof exceptionals	-	-18	n.m.
EBITDA pre exceptionals	181	205	13%
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Non-current Assets	s	1,835	1,783	
Intangible assets		53	50	
Property, plant & ed	quipment	1,526	1,478	
Equity investments		22	31	
Other investments		4	4	
Financial assets		48	45	
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Working Capital Management Remains Tight



Agenda

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Outlook and Guidance

Underlying assumptions

- We remain confident for the economic environment in 2006
- Raw materials volatile on high level
- Exchange rate €1.0 = ~USD1.25

2006 Guidance based on above assumptions

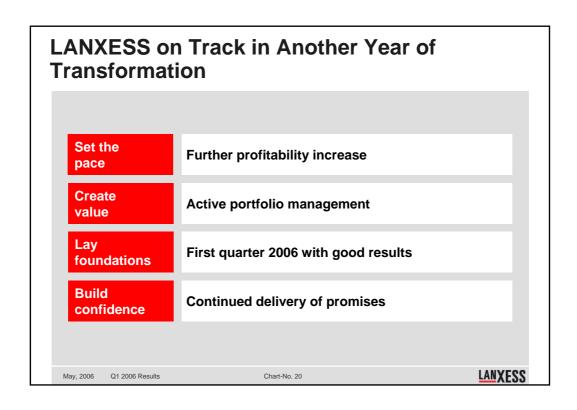
- FY 2006 EBITDA pre exceptionals expected in a range of €640 €680 m, which is in the upper half of the former 9-10% margin guidance on the basis of 2004 sales
- Capex at upper end of €250 €270 m range
- Operational Depreciation and Amortization ~€250 m
- FY P&L tax rate expected around 30%
- Restructuring: expenses of ~€55 m and cash-outs of ~€155 m expected in 2006

We delivered on our guidance in 2005 and expect to do so in 2006 as well

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(€m)	Q1 2005		Q1 2006		
	Exceptional	thereof D&A	Exceptional	thereof D&A	
Performance Rubber	0	0	1	0	"Rubber" Litigation (TRP)
Engin. Plastics	2	2	0	0	Capex write-off (STY)
Chemical Intermediates	3	3	0	0	Capex write-off (FCH)
Performance Chemicals	0	0	1	0	"Rubber" Litigation (RUC
Reconciliation	0	0	16	0	~ €9 m Restructuring, ~ €7 m M&A
Total	5	5	18	0	

Update on Total Financial Impact due to Restructuring

Phase I+II+III (€ m)	2005	2006e	2007e	2008e	2009e
P&L Expenses	-166	-55	-35	-25	0
Cash outs	-10	-155	-90	-50	0
Headcount reduction	~540	~610	~470	~40	0
Cost reduction vs. prior year	10	35	75	80	10
Cost reduction cumulative	10	45	120	200	210
EBITDA improvement vs. prior year	10	35	65	40	5
EBITDA improvement cumulative	10	45	110	150	155
flay, 2006 Q1 2006 Results Roadshow		Chart-No.	23		LANY

Financial Calendar 2006

Annual Stockholders' Meeting

Q2 Results 2006

Investor Conference

Q3 Results 2006

May 31, 2006

August 16, 2006

September 14 / 15, 2006

November 15, 2006

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Michael Pontzen (Head of IR)

Tel.: +49-214 30 43804 Fax.: +49-214 30 959 43804 Mobile: +49-175 30 43804

Email: Michael.Pontzen@lanxess.com

Oliver Stratmann

+49-214 30 49611 +49-214 30 959 49611 +49-175 30 49611

Oliver.Stratmann@lanxess.com

Tanja Satzer

Tel.: +49-214 30 43801 Fax.: +49-214 30 959 43801 Mobile: +49-175 30 43801 Email: Tanja.Satzer@lanxess.com Dr. Gerd Zelesny

+49-214 30 71416 +49-214 30 959 71416 +49-175 30 71416

Gerd.Zelesny@lanxess.com

Please visit our website at: www.lanxess.com

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