



LANXESS FY/Q4 2007 Financial Summary for Investors and Analysts

- Strong operational sales growth (+7.6%) in Q4 2007 and in FY 2007 (+5.0%)
- EBITDA pre exc. raised by 8.6% to €114 m in q4 and by 6.5% to €119 m, FY margin at 10.9%
- EBIT pre exceptionals increased by 34.2% to €51 m in Q4 and by 12.1% to €472 m for FY 2007
- Ratings upgraded by Moody's to Baa2 and S&P to BBB
- Net debt remains low at €460 m
- BU LUP JV transaction closed on Sept. 30th
- Acquisition of Brazilian Petroflex announced
- Dividend of €1.00 to be proposed to the AGM for 2007

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Overview Financials

Q4 Profit and Loss Statement:

- Sales Deviation: Price: +0.2%, Volume +7.4%, Currency -4.2%, Portfolio -15.5% (approximate numbers)
- Good operational improvement - reported sales decrease mainly due to portfolio changes and unfavourable currency effects
- Headcount reduction due to portfolio adjustment and restructuring
- Again strong improvement of margin and absolute EBITDA pre exceptionals
- Net income burdened mainly by restructuring one-offs

FY Cash flow Statement:

- Profit before tax burdened mainly by exceptional expenses of €257 m in connection with the LUP JV and for restructuring
- Higher cash tax payments
- Lower increase of working capital
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Q4 Business Overview

Performance Rubber

- Sales Deviation: Price: +2%, Volume +10%, Currency -6% (approximate numbers)
- Sales rise on the basis of a simultaneous increase in prices and volumes in all BUs, more than offsetting adverse currency effects
- Capacity additions in BTR, SCP and PBR production line re-start in Orange, USA, matched with sound market demand
- BTR compares to weak volume in Q4 2006 due to a strike at a customer
- Mainly strong Asian demand supports volume growth and slight price increases in PBR
- Overall, margin almost stable on high level, despite negative currency effects
- **Business outlook:** Q1 started well, European and Asian rubber markets hold up strong against the U.S.

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Advanced Intermediates

- Sales Deviation: Price: -3%, Volume +17%, Currency -4% (approximate numbers)
- Sales increased mainly on higher volumes in both business units, more than offsetting unfavourable currency effects
- BAC with sound operational performAC wperfo()-r TD()Tj/TT4 1 Tf1.0022 Taba Q1s in bo23 Tw[)]Jm5.1(l)ht1v



2008 Business environment and Outlook

Macro-economic environment and regional overview:

- Despite partially adverse market environment, we remain confident for the business development in 2008
- Q1 2008 started reasonably well
- Crude oil and derivatives are expected to remain on high and volatile level
- Further weakening of the U.S. economy expected in 2008, especially in the automotive and construction industry. Slowdown of growth in parts of Europe, however overall still on supportive level
- Asian markets, particularly China and India with continued momentum. In addition, positive development in eastern European markets as well as Latin America, specifically Brazil

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Items to consider for 2008:

- No earnings contribution from LUP (2007: €20 m EBITDA pre exceptionals)
- Additional expenses for growth in MPP, ION: ~€8 m
- Closing of Petroflex acquisition expected in Q2 2008
- Related rise in net financial debt: ~€300 m (for 70% of Petroflex' equity)
- FY 2008 exceptional expenses: ~€70 m
- Currency sensitivity: Based on our annual net exposure, a change of 1 cent of the exchange rate of the U.S. Dollar to the Euro affects our EBITDA by €5-6 m
- However, the actual impact may be significantly lower due to our rolling hedging policy

Anticipated cash burden in 2008: ~€1.2 billion

- Cash requirements: ~€808 m
- FY 2008 exceptional expenses: ~€1 billion

in 2008

Leveraged balance sheet - 2007: 46.7% (2006: 46.7%)



• Financial Overview Q4 2007

in € million

	LANXESS			Perf. Polymers			Advanced Intermed.			Performance Chem.			Eng.Plastics (LUP only)			Others/ Cons.			
	Q4 '06	Q4 '07	Chg. in %	Q4 '06	Q4 '07	Chg. in %	Q4 '06	Q4 '07	Chg. in %	Q4 '06	Q4 '07	Chg. in %	Q4 '06	Q4 '07	Chg. in %	Q4 '06	Q4 '07	Chg. in %	
Sales	1666	1465	-12%	643	684	6%	280	308	10%	501	456	-9%	213	0	-100%	29	17	-41%	
	0%	7%	2%	10%	-3%	0%	0%	3%	0%	0%	0%	0%	n.m.	n.m.	n.m.	Price*			
	-4%	-4%	-6%	-4%	-4%	-4%	-4%	-4%	-4%	-4%	-4%	-4%	n.m.	n.m.	n.m.	Volume*			
	-16%	-16%	0%	0%	0%	-8%	-8%	-8%	-8%	-8%	-8%	-100%	n.m.	n.m.	n.m.	Currency*			
	39	5	-87%	57	60	5%	16	16	0%	17	14	-18%	-1	0	n.m.	-50	-85	n.m.	EBIT
	74	62	-16%	27	27	0%	10	10	0%	25	23	-8%	0	0	0%	12	2	-83%	Deprec. & amortizat.
	113	67	-41%	84	87	4%	26	26	0%	42	37	-12%	-1	0	n.m.	-38	-83	n.m.	EBITDA
	-8	47	n.m.	1	0	-100%	0	0	0%	0	10	n.m.	0	0	0%	-9	37	n.m.	exceptionals in EBITDA
	105	114	9%	85	87	2%	26	26	0%	42	47	12%	-1	0	n.m.	-47	-46	n.m.	EBITDA pre excep.
	67	63	-6%	27	27	0%	10	10	0%	25	21	-16%	0	0	0%	5	5	0%	normalized D&A
	38	51	34%	58	60	3%	16	16	0%	17	26	53%	-1	0	n.m.	-52	-51	n.m.	EBIT pre excep.
	-1	46	n.m.	1	0	-100%	0	0	0%	0	12	n.m.	0	0	0%	-2	34	n.m.	exceptionals in EBIT
	120	114	-5%	61	61	0%	13	22	69%	25	32	28%	13	0	-100%	8	-1	n.m.	Capex
	511	460	-10%																Net financial debt

* approximate numbers



Financial Overview FY 2007

in € million

	LANXESS			Perf. Polymers			Advanced Intermed.			Performance Chem.			Eng. Plastics			Others/ Cons.		
	FY 06	FY 07	Chg. in %	FY 06	FY 07	Chg. in %	FY 06	FY 07	Chg. in %	FY 06	FY 07	Chg. in %	FY 06	FY 07	Chg. in %	FY 06	FY 07	Chg. in %
Sales	6944	6608	-5%	2571	2680	4%	1140	1204	6%	2205	1970	-11%	913	668	-27%	115	86	-25%
Change	-336		-5%	109		4%	64		6%	-235		-11%	-245		-27%	-29		-25%
Volume	n.m.			3%		3%	5%		5%	9%		2%						-4%
Price	-25%						-4%		-4%	10%		10%						10%
Exchange							7%		7%	0%		0%						-13%
Deprec. & amortizat.	51	33	-42%	19	19	0%	262	298	14%	100	103	3%	38	37	-3%	90	88	-2%
EBITDA	11	-125	n.m.	-175	-183	n.m.	638	513	-20%	338	376	11%	174	174	0%	290	271	-7%
exceptionals in EBITDA	0	145	n.m.	34	47	38%	37	206	>100%	2	0	-100%	0	0	0%	1	14	>100%
normalized E&A	100	133	3%	90	86	-4%	25	21	-16%	186	167	-11%	15	7	-53%	26	17	-35%
EBIT pre exc.	240	273	14%	201	199	-1%	601	513	-15%	336	376	11%	174	174	0%	291	271	-7%
exceptionals in EBIT	2	0	-100%	1	16	>100%	37	206	>100%	2	0	-100%	0	0	0%	1	14	>100%
Capex	284	126	-56%	139	100	-28%	62	69	11%	26	17	-35%	15	7	-53%	26	17	-35%
Net financial debt	460	409	-11%	126	139	10%	38	52	37%	62	69	11%	26	17	-35%	15	7	-53%

* approximate numbers



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