

LANXESS Q1 2007 Financial Summary for Investors and Analysts

- EBITDA pre exceptionals rises by 6.8%
- EBITDA margin pre exceptionals at 12.8% compared to 11.2%
- Sales increased, adjusted for portfolio and currency effects
- Reduction of net financial debt to €448 m
- Guidance for FY 2007: EBITDA pre exceptionals expected to increase by mid to high single digit %

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Page 1 of 5

Overview Financials

LANXESS Group Q1 2007

- Overall economic environment remains positive
- LANXESS started well into 2007
- Pricing power continues
- Transformation yields results

Q1 2007 Profit and Loss Statement:

- Sales Deviation: Price: +3%, Volume 0%, Currency -4%, Portfolio -6% (approx. numbers)
- Sales decrease due to portfolio changes and unfavourable currency effects
- Working capital remains flat with normal seasonal increase compared to yearend
- Capex rises as LANXESS fosters organic growth
- Headcount increased due to acquisition of CISA and organic growth (200 FTE)
 ______mainly in Asia almost offset by restructuring (~200 FTE)
- · Raw material price increases were passed on to the market

Q1 2007 Cash flow Statement:

- Profit before tax above strong result in comparable period of previous year
- Lower seasonal increase in working capital compared to Q1 2006
- Operating cash flow contains ~€15 m restructuring cash out
- Investing cash flow comprises
 - Payout for first acquisition (CISA)
 - Cash-in for sale of BU TPC
 - o Cash infusion to BIS for previous year's loss



Q1 Business Overview

Performance Rubber

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Page 2 of 5



2007 Business environment and Outlook

Business environment:

- We remain confident for the global business environment in 2007 with regional variation
- We expect raw materials to remain volatile on a high level. The earlier projected gradual decrease is now expected the earliest in Q3 2007 as price increases still prevailed in April

First glance at 2007 / Items to consider:

- FY 2007 EBITDA pre exceptionals is expected to increase by mid to high single digit %
- Capex is expected to be above €300 m
- P&L tax rate seen around 30%
- D&A will be around €250-260 million

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Page 3 of 5

Leverkusen, May 09, 2007

This news release contains forward-looking statements based on current assumptions and forecasts made by LANXESS AG management. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.

Forward-Looking Statements



• Financial Overview Q1 2007

in € million	LANXES	Perf. Rubber			Eng. Plast.			Chem. Interm.			Perf. Chem.			Others/ Cons.			
		Chg.			Chg.			Chg.			Chg.			Chg.			Chg.
	Q1 06 Q1 07	in %	Q1 106 O	21 107	in %	Q1 106	Q1 107	in %	Q1 106	Q1 107	in %	Q1 106	Q1 107	in %	Q1 106	Q1 107	in %
Sales	1836 1711	-7%	438	451	3%	456	428	-6%	395	408	3%	517	400	-23%	30	24	-20%
Price*		3%			5%			6%			1%			0%			n.m.
Volume*		0%			4%			-7%			5%]		0%			n.m.
Currency*		-4%			-6%]		-3%			-3%]		-4%			n.m.
Portfolio*		-6%			0%			-3%			0%			-19%			n.m.
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Abbreviations:

BTR Butyl Rubber **PBR** Polybutadiene Rubber TRP Technical Rubber Products LUP Lustran Polymers SCP Semi-Crystalline Products FIB Fibers **BAC Basic Chemicals** SGO Saltigo IPG **Inorganic Pigments** MPP Material Protection Products FCC Functional Chemicals LEA Leather **TPC** Textile Processing Chemicals **RCH** RheinChemie **RUC** Rubber Chemicals ION Ion Exchange Resins **PAP** Paper Chemicals

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Page 5 of 5