



LANXESS Q3 2007 Financial Summary for Investors and Analysts

- Strongest operational growth (+6%) since spin-off
- EBITDA pre exceptionals raised by 6.7% to €175 m, margin raised to 10.3%
- EBIT pre exceptionals raised by 9.8% to €112 m
- Strong increase in Net Income
- BU LUP JV transaction closed (Sept. 30th), BU LUP deconsolidated
- Credit facility of €1.5 bn refinanced: tenor now up to 2014
- Guidance for FY 2007 reiterated: EBITDA pre exceptionals expected to increase to €700 – €720 m, despite ~€10 m shortfall of LUP performance in Q3

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Overview Financials

LANXESS Group Q3 2007

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- Changes in other assets / liabilities mainly mirror non-cash character of expenses related to the LUP JV
- Investing cash flow comprises:
 - In 2006: Cash-in for sale of BU FIB, PAP and iSL in 2006
 - In 2007:
 - Cash-in for sale of BU TPC
 - Payout for first acquisition
 - Cash infusion to BIS for previous year's loss

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Q3 Business Overview

Performance Polymers

- Sales Deviation: Price +2.2%, Volume +5.1%, Currency -3.7% (approximate numbers)
- Sales rise on the basis of increased prices and volumes in almost all BUs, more than offsetting adverse currency effects
- Additional BTR and SCP volumes from capacity expansions were again well absorbed by the market
- PBR with continuing strategic shift of sales to Asia, accepting slightly lower pricing. EBITDA margin improved on higher capacity utilization
- Healthy demand in TRP and SCP. Both units achieved price increases alongside with stronger volumes

Advanced Intermediates

- Sales Deviation: Price +0.4%, Volume +10.6%, Currency -2.2% (approximate numbers)
- Sales increased mainly on higher volumes in both business units, more than offsetting unfavourable currency effects
- BAC demonstrates stability on a high level, based on a stronger agro market and product differentiation
- SGO with expected change of product mix: stronger sales to the agrochemical and specialty chemical end markets, where margins are comparably lower than in pharma end markets – therefore mix-related reduction of average pricing

Performance Chemicals

- Sales Deviation: Price +0.4%, Volume +3.0%, Currency -3.0%, Portfolio -7.0% (approximate numbers)
- Reduced sales mainly due to the absence of TPC. Unfavourable currency effects were offset by increased sales volumes
- IPG managed to almost maintain the high profitability level of previous year as EMEA momentum compensates for sluggish US construction industry
- MPP expects customer de-stocking, expenses from sales force increases and additional registration costs to weigh on results in the forthcoming three quarters
- Specifically LEA, RCH and RUC provided improved contribution mainly by splendid volume increases and partly better pricing

Engineering Plastics

- Sales Deviation: Price +4.6%, Volume +0.9%, Currency -2.3% (approximate numbers)



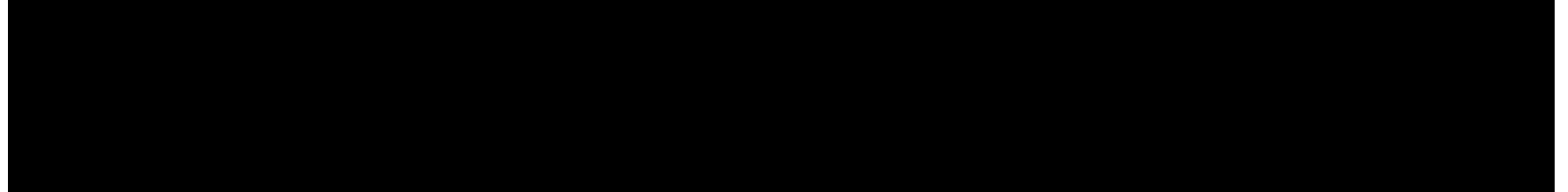
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Financial Overview Q3 2007

in € million

	LANXESS			Perf. Polymers			Advanced Intermed.			Performance Chem.			Eng.Plastics (LUP only)			Others/ Cons.		
	Q3 06	Q3 07	Chg. in %	Q3 06	Q3 07	Chg. in %	Q3 06	Q3 07	Chg. in %	Q3 06	Q3 07	Chg. in %	Q3 06	Q3 07	Chg. in %	Q3 06	Q3 07	Chg. in %
Sales	1691	1705	1%	644	667	4%	274	298	9%	528	493	-7%	217	224	3%	28	23	-18%
Price*			2%			2%			0%			0%			5%			n.m.
Volume*			4%			5%			11%			3%			1%			n.m.
Currency*			-3%			-4%			-2%			-3%			-2%			n.m.
Portfolio*			-2%			0%			0%			-7%			0%			n.m.
Deprec. & amortizat.	85	104	22%	33	34	3%	32	32	0%	44	40	-9%	0	-8	n.m.	-6	-3	-50%
Financial exp.	63	70	11%	25	26	4%	8	9	13%	22	22	0%	0	7	n.m.	8	6	-25%
Financial income	148	174	18%	78	95	22%	41	41	0%	71	63	-11%	0	-1	n.m.	-42	-24	n.m.
EBITDA	16	1	-94%	0	0	0%	0	0	0%	0	4	n.m.	0	3	n.m.	16	-6	n.m.
EBITDA pre excep.	164	175	7%	78	95	22%	41	41	0%	71	67	-6%	0	2	n.m.	-26	-30	n.m.
EBITDA normalized D&A	62	63	2%	25	26	4%	8	9	13%	22	22	0%	0	0	n.m.	7	6	-14%





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Abbreviations:

BTR Butyl Rubber
PBR Polybutadiene Rubber
TRP Technical Rubber Products
SCP Semi-Crystalline Products

BAC Basic Chemicals
SGO Saltigo

MPP Material Protection Products
IPG Inorganic Pigments
FCC Functional Chemicals

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