



LANXESS – Q3 2007 Results Call

Persisting operational momentum

Matthias Zachert, CFO

This presentation contains certain forward-looking statements, including assumptions, opinions and views of the company or cited from third party sources. Various known and unknown risks, uncertainties and other factors could cause the actual results, financial position, development or performance of the company to differ materially from the estimations expressed or implied herein. The company does not guarantee that the

Highlights Q3 2007

Q3 2007

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

BU LUP JV transaction closed on Sept. 30th

Credit facility refinanced and increased to €1.5 bn (maturity now: 2014)

Share buyback of 1.418 million shares completed

Net debt remains low at €491 m despite €50 m share buyback in Q3 2007

November 2007

Q3 2007 Results Call Presentation

Chart-No. 4

LANXESS

Agenda

- 1. Business highlights Q3 2007**
- 2. Financial review Q3 2007**
- 3. Business environment and guidance 2007**

November 2007

Q3 2007 Results Call Presentation

Chart-No. 5

LANXESS

- Organic sales growth based on strong pricing and higher volumes offsets portfolio change (TPC) and unfavourable currency effects
- Rise of Net Income based on sound operations and extraordinary results from BIS and the sale of

Performance improvement strengthens bottom-line

| (€m) | Q3 2006 | Q3 2007 | Δ in % | |
|--------------------------------|--------------|--------------|-----------------|---|
| Sales | 1,691 | 1,705 | 1% | – Price increases of 1.6% and higher volumes of 4.4% more than offset unfavourable currency (-3.0%) and portfolio changes (-2.2%) |
| Cost of sales | -1,329 | -1,335 | 1% | |
| SG&A | -240 | -241 | 0% | |
| R&D | -23 | -24 | 4% | |
| Other op. income / expense | -14 | -1 | -93% | – Other operating result |
| thereof exceptionals | -17 | -8 | -71% | |
| EBIT | 85 | 104 | 22% | |
| Net Income | 36 | 75 | >100% | |
| EBITDA | 148 | 174 | 18% | |
| thereof exceptionals | -16 | -1 | -94% | |
| EBITDA pre exceptionals | 164 | 175 | 7% | |

November 2007

Q3 2007 Results Call Presentation

Chart-No. 8

LANXESS

- 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

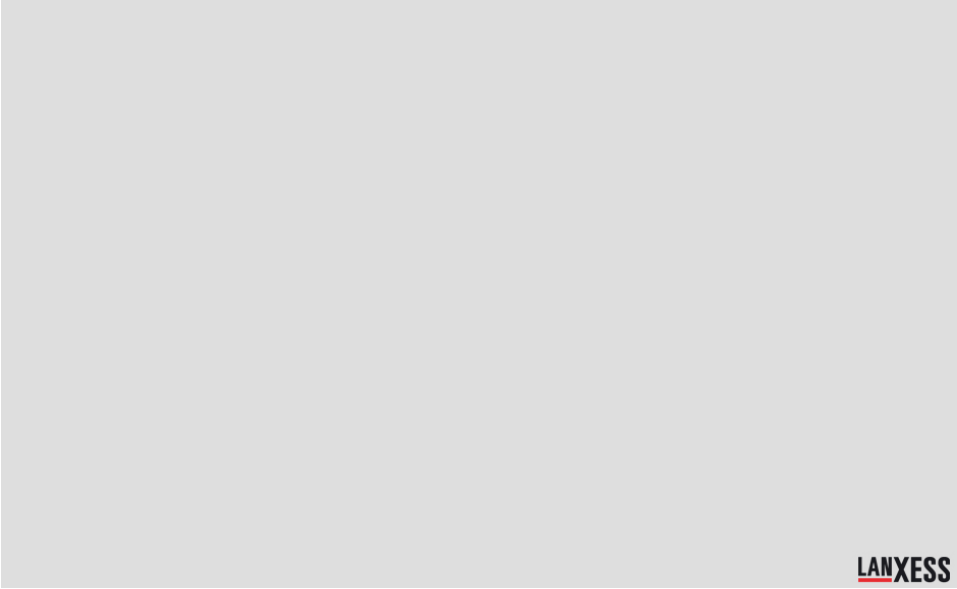
Performance Chemicals: sound performance of specialty businesses

| (€m) | Q3 2006 | Q3 2007 |
|---------------------------|---------|------------|
| Sales | | 493 |
| EBIT | | 41 |
| Depr. / Amort. | | 22 |
| EBITDA | | 63 |
| EBITDA pre except. | | 67 |
| Margin | | 13.6% |
| Capex | | 15 |

Sales by BU:

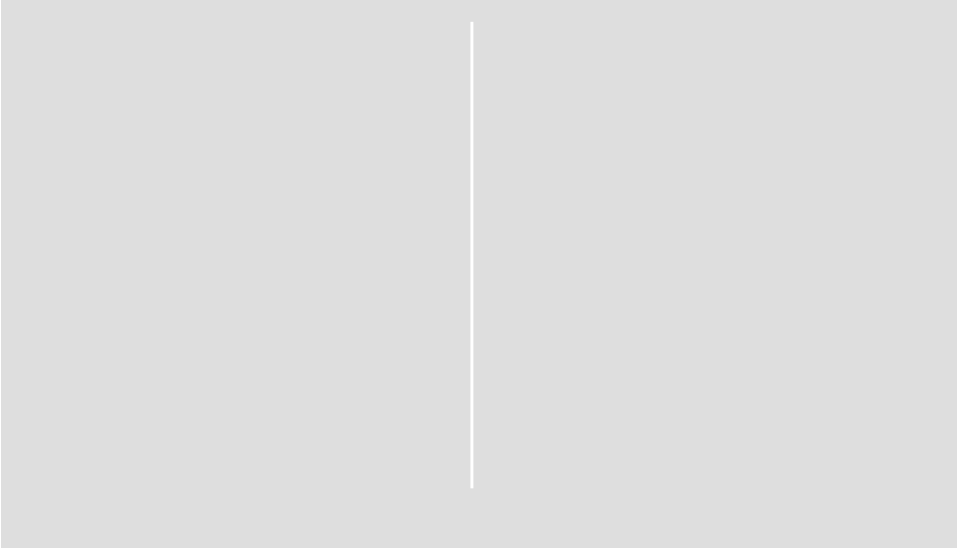
| (€m) | | | | | |
|-----------------------------|--------------|--------------|---------------------------------|--------------|---|
| Non-current Assets | 1,730 | 1,785 | Stockholders' Equity | 1,428 | 1,526 |
| Intangible assets | 41 | 38 | thereof minority interest | 25 | 18 |
| Property, plant & equipment | 1,465 | 1,418 | Non-current Liabilities | 1,554 | 1,516 |
| Equity investments | 5 | 43 | Pension & post empl. provisions | 520 | 504 |
| Other investments | 4 | 2 | Other provisions | 271 | 269 |
| Financial assets | 37 | 82 | Financial liabilities | 632 | 609 |
| Deferred taxes | 84 | 98 | Tax liabilities | 38 | 43 |
| Other non-current assets | 94 | 104 | Other liabilities | 36 | 29 |
| | | | Deferred taxes | 57 | 62 |
| Current Assets | 2,475 | 2,345 | Current Liabilities | 1,223 | 1,088 |
| Inventories | 1,047 | 964 | Other provisions | 354 | 315 |
| Trade accounts receivable | 924 | 834 | Financial liabilities | 50 | 36 |
| Financial assets | 113 | 198 | Trade accounts payable | 602 | ,48.(,48.(,40n)0.5)0.4(713.5)0.49C4(4)-3814.75602 |
| Other current assets | 220 | 195 | | | |
| Liquid assets | 171 | 154 | | | |
| | | | | | |
| Total Assets | 4,205 | 4,130 | | | |

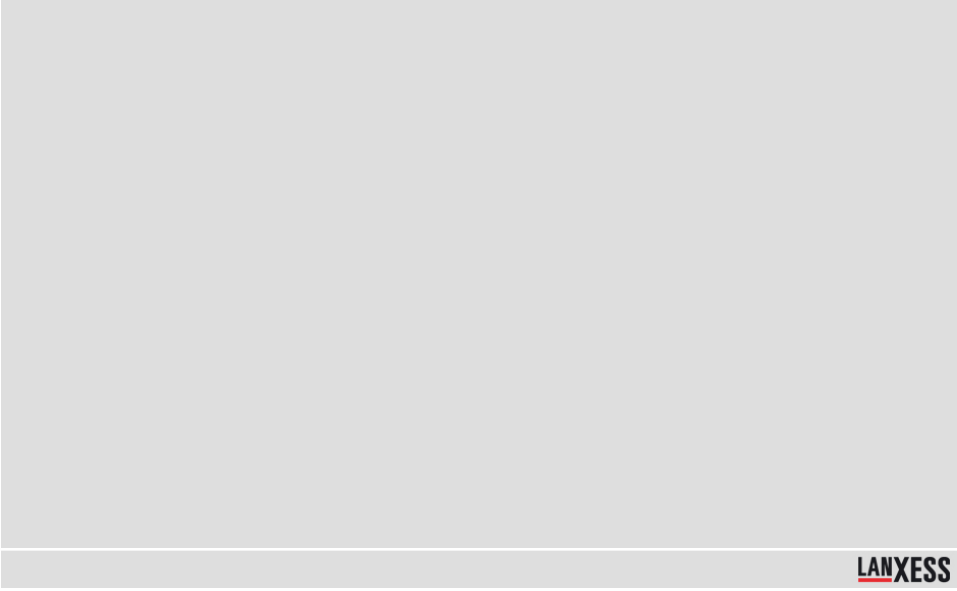




LANXESS









LANXESS

