



LANXESS Q1 2008 Financial Summary for Investors and Analysts

**Strong operational sales growth (+8.1%)
EBITDA pre exc. increased to €220 m, despite negative raw
material-, currency- and portfolio effects
EBITDA margin at 14.3% vs. 12.8% in previous year**

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Q1 Business Overview

Performance Polymers

Sales Deviation: **Price: +7%, Volume +5%, Currency -7%** (approximate numbers)

Substantial price and volume increases lead to higher sales and more than offset negative currency effects

All BUs increased selling prices, PBR, TRP and SCP with simultaneous volume increases, while BTR is sold out

SCP strong underlying business. Due to the production process, SCP could compensate the sulfur price increase due to the strong fertilizer demand for its by-product ammonium sulfate.

Stable margins on attractive level despite negative currency effects and risen raw material costs, which were fully passed on

Capex reduced because of last year's investment level for BTR debottlenecking in Canada and Belgium

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Advanced Intermediates

Sales Deviation: Price: +2%, Volume +9%, Currency -4% (approximate numbers)

Sales increased mainly as both BUs achieve higher prices and volumes, based on strong agro demand (fungicides and herbicides), more than offsetting unfavorable currency effects

Strong price increases for BAC in order to mitigate boosted raw material, energy and logistic costs, helped to almost maintain the BU's high level of EBITDA pre exceptionals

SGO provides improved EBITDA* contribution, mainly due to strong demand for agrochemicals

Currency effects due to regional production / sales setup weigh on segment margin. Offsetting hedging is mirrored in reconciliation segment

Performance Chemicals

Sales Deviation: Price: +2%, Volume +2%, Currency -5% (approximate numbers)

Operationally, sales increased on the basis of higher prices and volumes.

Reported sales are slightly reduced as currency effects outweigh operational improvements

Absolute EBITDA pre exceptionals remained stable as improved performance mainly in LEA (chrome ore), RUC and ION offset a reduced result of IPG which also compared to a very good Q1 2007

In future quarters, MPP and ION are expected to see additional registration and selling expenses, as already pointed out earlier



2008 Business environment and Outlook

Macro-economic environment and regional overview:

LANXESS remains confident for 2008 despite mixed macro-economic landscape after the operationally good start into 2008

Further weakening of the U.S. economy expected in 2008, especially in the automotive and construction industry while most LANXESS businesses (e.g. tire and agro) remain strong

Dynamic developments in others regions such as BRIC countries, Asia compensate for slowing NAFTA demand

Crude oil and derivatives assumed to remain volatile and on high level

Energy- and personnel cost to rise as of Q2 2008

Strengthening of the USD earliest in H2 2008. FY 2008 average rate of ~1,50 USD/€ expected. (LANXESS' hedging: ~1,45 USD/€)

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Guidance 2008:

EBITDA pre exceptionals FY 2008 is expected to be above €700 m

Further financial information:

- o ~€35-40 m EBITDA pre exceptionals from Petroflex for 9 months '08
- o Exceptional P&L expense in Q2 expected around €50-70 m
- o Tax rate ~30% for FY 2008
- o Capex '08: €330-350 m
- o Q2 will see the majority of the announced cash outs:
 - Restructuring / efficiency programs
 - Petroflex acquisition
 - Dividend payout
 - Annual interest payment for €500 m bond

Leverkusen, May 14, 2008

Forward-Looking Statements

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.



Abbreviations:

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

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