



# LANXESS Q2 2009 Financial Summary for Investors and Analysts

**EBITDA pre exceptionals improves vs. Q1 2009 to €112 m  
Substantial volume pick up Q2 vs Q1, however, still in trough  
environment**

**World-wide underlying demand has bottomed out, volume  
trough now also reached in LatAm, North America and Europe  
9% EBITDA pre exceptionals margin in a tough business  
environment**

**Q2 with positive net income**

**Product prices in line with raw material price deflation  
of ~ €200 m, contribution margin remains stable**

**Focus on cash flow generation yielding strong result:  
reduced net debt to €19 m**

**Challenge09 expanded and Challenge12 initiated**

**LANXESS AG**  
Investor Relations  
51369 Leverkusen  
Germany

Oliver Stratmann, Head of IR  
Phone +49 214 30-49611  
Fax +49 214 30-959-49611  
Oliver.Stratmann@lanxess.com

Page 1 of 6

## Overview Financials

### Q2 Profit and Loss Statement:

Sales decline is based on lower prices (-11%) due to easing raw materials (~ €200 m); currency effects (+4%) slightly alleviate severe volume impact (-23%) (approximate numbers)

Cost of sales contain ~ €5 m inventory devaluation

Deviations in expense line items reflect lower business activity and cost saving efforts

EBITDA pre exceptionals improvement in a difficult environment reached

### Q2 Balance Sheet:

Decrease in Working Capital vs. year-end 2008

- o Inventory: decrease in Q2 vs. 2008 due to lower raw material prices and tight management
- o Receivables: decreased due to very tight monitoring and receivable collection, no major customer defaults

Net debt decreased due to strict working capital and cash flow management  
Financing and liquidity situation is comfortable. Majority of drawn debts are long term and without financial covenants

- o Second €500 m Eurobond maturing April 2014 with coupon of 7.75% further improves solid financing and balanced maturity profile
- o €500 m Eurobond maturing June 2012 without financial covenant (only change of control clause) at annual coupon of 4.125%
- o €130 m additional financing by "Schuldschein" maturing in 2012
- o Strong cash position of ~ €950 m to be invested in highly rated & liquid



## **Q2 Cash flow Statement:**

Strong operating cash flow despite lower profit before tax

Cash inflow based on tight working capital management

-1f0.11.0958 Tc0.002 T( )-10518 Relacaw

### **LANXESS AG**

Investor Relations

51369 Leverkusen

Germany

Oliver Stratmann, Head of IR

Phone +49 214 30-49611

Fax +49 214 30-959-49611

[Oliver.Stratmann@lanxess.com](mailto:Oliver.Stratmann@lanxess.com)

Page 2 of 6



## Outlook and guidance

### Outlook:

#### **The downturn appears to be bottoming out - risk of setbacks exists**

World-wide underlying demand has bottomed out, volume trough now also reached in LatAm, North America and Europe

Asia maintaining its good momentum,

other regions are expected to recover only slowly

Destocking completed – restocking not yet visible

Mitigating fast rising raw material prices (notably butadiene)

will be a challenge in Q3

Usual seasonal earnings pattern with sequentially weaker H2 (Advanced Intermediates & Performance Chemicals)

### **LANXESS AG**

Investor Relations

51369 Leverkusen

Germany

Oliver Stratmann, Head of IR

Phone +49 214 30-49611

Fax +49 214 30-959-49611

Oliver.Stratmann@lanxess.com

### Guidance:

Q3 EBITDA pre exceptionals is traditionally below Q2 due to seasonality

Based on previously mentioned assumptions, LANXESS expects Q3 EBITDA

Page 3 of 6



## Financial Overview Q2 2009

in € million

	LANXESS			Perf. Polymers			Advanced Intermed.			Performance Chem.			Others/ Cons.		
	Q2 08	Q2 09	Chg. in %	Q2 08	Q2 09	Chg. in %	Q2 08	Q2 09	Chg. in %	Q2 08	Q2 09	Chg. in %	Q2 08	Q2 09	Chg. in %
Sales															
	-19%	-3%	0%	n.m.	n.m.	n.m.							-11%		
	-24%	-7%	-30%	n.m.	n.m.	n.m.							-23%		
	-5%	-3%	1%										-4%		
Price*															
				0%	0%	0%							0%		
Volume*															
				0%	0%	0%							0%		
6	31	n.m.		116	143	-63%	46	18	-61%	39	27	-31%	57	29	-49%
2	5	>100%		64	65	-2%	32	33	3%	10	11	10%	20	16	-20%
4	26	n.m.		180	108	-40%	78	51	-35%	49	38	-22%	77	45	-42%
14	84	n.m.		339	336	1%	166	102	-39%	107	73	-32%	154	95	-38%
EBIT															
	139	50	-59%	95	19	-80%	39	27	-31%	53	28	-53%	34	24	n.m.
Deprec. & amortizat.															
	43	7	-84%	49	1	n.m.	0	0	0%	2	-1	n.m.	8	7	n.m.
EBITDA															
	182	57	-68%	144	20	-86%	39	27	-31%	55	27	-51%	42	31	-26%
Capex															
	66	57	-14%	32	28	-13%	15	8	-47%	17	19	12%	2	2	0%
Net financial debt															
	864**	719	-17%												
* approximate numbers															
**per Dec. 31															





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

**LANXESS AG**  
Investor Relations  
51369 Leverkusen  
Germany

Oliver Stratmann, Head of IR  
Phone +49 214 30-49611  
Fax +49 214 30-959-49611  
[Oliver.Stratmann@lanxess.com](mailto:Oliver.Stratmann@lanxess.com)

Page 6 of 6