

LANXESS Q3 2011 Financial Summary for Investors and Analysts

- š 26% sales growth despite some customer destocking
- Š Substantial increase in EBITDA pre by 27% to €311 m
- š "Price-before-volume" strategy in all segments intact
- **š** All investment projects fully on schedule
- **S EBITDA margin slightly increased to 13.3% vs 13.2%**
- Year-to-date earnings per share reach €6.02
- **S** Guidance 2011 confirmed: EBITDA pre growth ~20%

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Overview Financials

Q3 Profit and Loss Statement:

- š Another solid quarter with good development of bottom-line
- Š Sales deviation yoy: Price +23%, Portfilio +8, Volume +1%, Currency -6% (approximate numbers)
- Š Gross margin slightly lower due to ~€20 m inventory devaluation (mainly Butadiene)
- š Focus on technology and innovation leads to planned increase in R&D expenses
- š Substantial improvement in EBITDA at stable margins
- š Expected seasonal pattern partly offset by portfolio effect

Q3 Balance Sheet:

- **š** A strong balance sheet
- š Inventory increase due to higher raw material prices, portfolio effect and additional volumes
- š Mark-to-market valuation of Gevo investment
- š Net debt to EBITDA (LTM) ratio at comfortable ~1.2

9M Cash flow Statement:

- **Strong cash generation**
- š Lower tax cash outs due to timing of pre-payments
- Š Cash outflow for working capital due to increased inventories and receivables (raw material prices, volumes)
- š Investing cash flow contains cash-outs for acquisitions
- š Financing cash-flow mirrors €500 m bond partly offset by dividends, interest and settlement of acquisition related debt
- š Cash flow mirrors growth strategy



Business environment and guidance:

Current macro view:

- š Growth in emerging markets to continue at solid levels
- š Increased uncertainties: high national deficits in Europe, volatile FX and raw material deflation
- š Risk of economic setback due to European sovereign debt crisis increased

Guidance:

- **S LANXESS remains confident for 2011**
- š Full year EBITDA guidance confirmed at ∼20% above previous year
- š We expect Q4 with normal seasonality and ongoing customer destocking
- š Additional inventory devaluation of ~€35 m in Q4 2011 expected (mainly Butadiene)

Additional financial expectations for 2011

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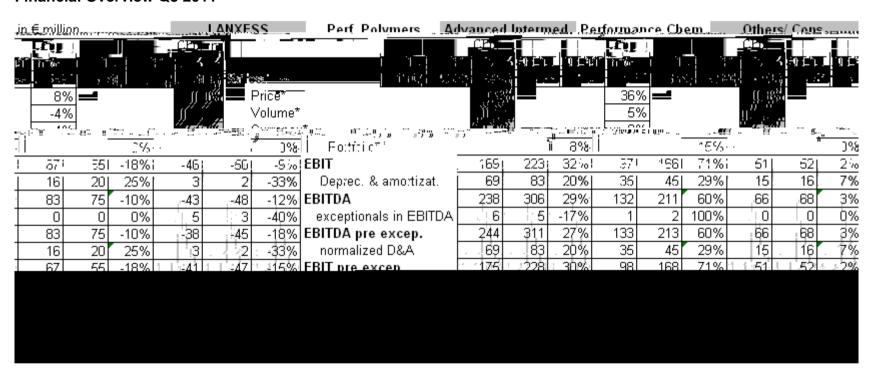
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Financial Overview Q3 2011





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Income Statement Q3 and 9M 2011

in €million Sales Cost of sales Gross profit	Q3 2010 1847 -1387 460	Q3 2011 2336 -1805 531		9M 2010 5288 -3960 1328	9M 2011 6652 -5060 1592	28%
Selling expenses	-166	-183	10%	-470	-540	15%
Research and development expenses	-34	-40	18%	-89	-105	18%
General administration expenses		-77	10%	-197	-221	12%
Other operating income	46	39	-15%	138	140	1%
Other operating expenses	-67	-47	-30%	-181	-142	-22%
Operating result (EBIT)	169	223	32%	529	724	37%
Income from investments accounted for using the equity method Interest income Interest expense Other financial income and expense Financial result	11 2 -27 -10 -24	7 5 -27 -8 -23	>100% 0% 20%	23 8 -73 -26 -68	19 10 -74 -28	25% 1% 8%
Income before income taxes	145	200	38%	461	651	41%



Abbreviations:

All Advanced Industrial Intermediates*

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

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^{*} Formerly known as Basic Chemicals (BAC)