

# LANXESS – Energizing Chemistry

**Business profile 2008**

Investor Relations

# LANXESS – A leading specialty chemicals company based on three powerful segments





# LANXESS delivers consistently year over year on it's four-phase strategy

## Performance improvement

- § "Price-before-volume" strategy implemented
- § Working capital management remains tight

# LANXESS has been improving its financials since day one

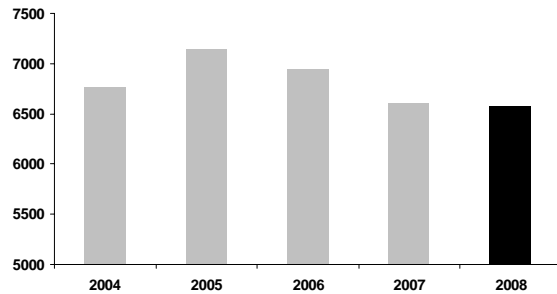
**Group level**

Performance Polymers

Advanced Intermediates

Performance Chemicals

## Sales 2004 - 2008



## Sales by Region 2008



\* Pre exceptionals; \*\* based on contribution of operating segments; \*\*\* except Lustran Polymers Q4 2007

# LANXESS – Improvement trend of financials, based on strategy implementation

**Group level**

Performance Polymers

Advanced Intermediates

Performance Chemicals

In € m		2005
Net financial debt	1,135	680
Net fin. debt / EBITDA*	2.5x	1.2x
Gearing	101%	54%
CAPEX / Depreciation	0.85	0.8
Underlying EPS**	0.65	1.19
EV / EBITDA* Multiple		~ 5x
EBITDA* / Interest result		14.2
ROCE		12.9%
Rating		S&P: BBB- Moody's: Baa3

**Financial metrics continuously improved**

\* Pre exceptionals; \*\*EPS pre exceptionals, based on actual taxrate \*\*\*as per Sep 30 2008

Group level

**Performance Polymers**

Advanced Intermediates

Performance Chemicals

**Performance Polymers**

EBITDA<sup>1</sup> margin FY'07: 14.0%

**Position LANXESS**

World-wide top market positions

**Growth and Stability**

participation in major growth trends

**Products and end-uses**

**BUTYL RUBBER**



Integral part of tubeless tyres

A leading position

International mobilization

- § Provides butyl rubber, which is a specialty rubber impermeable to air
- § Has wide applications both in tyre and other

**PERFORMANCE BUTADIENE RUBBERS**



Tyre body and tread

A leading position

High performance tyres

**TECHNICAL RUBBER PRODUCTS**



Specialty applications

Strong

New applications

**SEMI-CRYSTALLINE-PRODUCTS**



Thermoplastics for modern applications, e.g. in cars

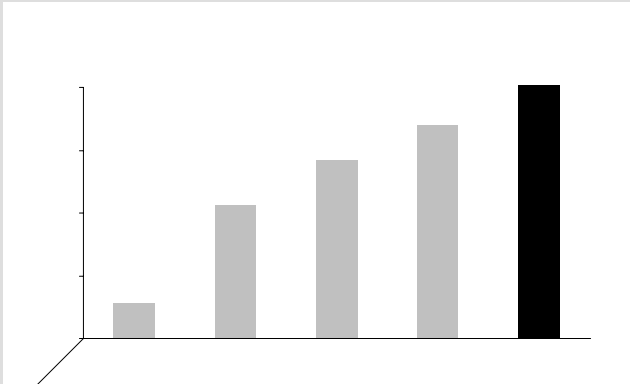
Strong

High-tech plastics replacing metal

## Group level

## Advanced Intermediates


## Performance Chemicals Serving



\* Pre exceptionals



# Advanced Intermediates – Basic Chemicals and Saltigo, strong and reliable partners for the segment

Group level	Performance Polymers	<b>Advanced Intermediates</b>	Performance Chemicals
<b>Advanced Intermediates</b> EBITDA <sup>1</sup> margin FY'07: 14.5%		<b>Position LANXESS</b> World-wide top market positions	<b>Growth and Stability</b>
<b>BASIC CHEMICALS</b> <b>2-Methyl-6-Ethyl-Aniline</b> Intermediate for agrochemicals		Leading positions in all business lines  Competition <sup>2</sup> : BASF, Perstorp	Industry shake-out process  Advantage due to world scale production network
<b>SALTIGO</b>  The user-friendly, effective repellent		Among the top global players in custom manufacturing  Competition <sup>2</sup> : DSM, Lonza	§ Supplier of aromatic compounds such as e.g. chlorobenzenes, chlorotoluenes and nitrotoluenes  § Supplier of amines, polyols, monoisocyanates, thio products, inorganic acids  § Important player in fine chemicals focused on: <ul style="list-style-type: none"> <li>§ Agrochemicals custom manufacturing</li> <li>§ Pharmaceutical custom manufacturing</li> <li>§ Specialty Fine Chemicals</li> </ul>

<sup>1</sup> Pre exceptionals <sup>2</sup> Selected competitors

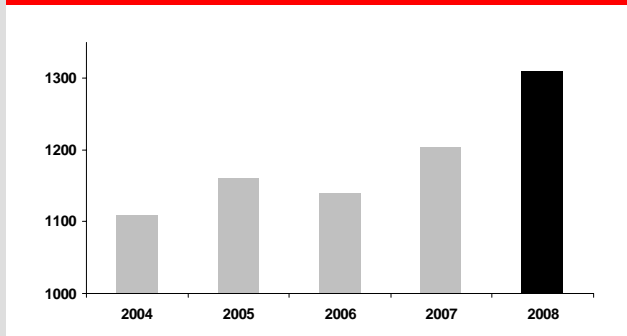
Group level

Performance Polymers

**Advanced Intermediates**

Performance Chemicals

**Sales 2004 - 2008**



\* Pre exceptionals



Group level

Performance Polymers

Advanced Intermediates

**Performance Chemicals**

***Performance Chemicals***

EBITDA<sup>1</sup> margin FY'07: 14.5%

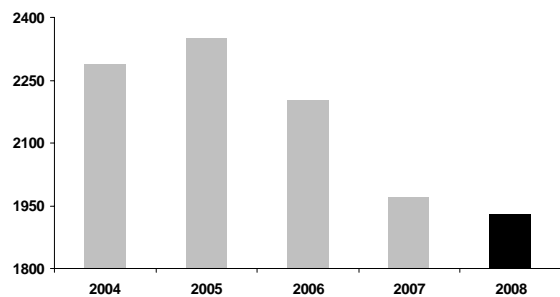
**Position LANXESS**

World-wide top market positions

**Growth and Stability**

Partly strong growth in specialty niches

Sales 2004 - 2008



\* Pre exceptionals

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# Abbreviations

## Performance Polymers

BTR	Butyl Rubber
PBR	Performance Butadiene Rubbers
TRP	Technical Rubber Products
SCP	Semi-Crystalline Products

## Advanced Intermediates

BAC	Basic Chemicals
SGO	Saltigo

## Performance Chemicals

MPP	Material Protection Products
IPG	Inorganic Pigments
FCC	Functional Chemicals
LEA	Leather
RCH	Rhein Chemie
RUC	Rubber Chemicals
ION	Ion Exchange Resins

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