

6010

JANUA

**LANXESS**  
Energizing Chemist



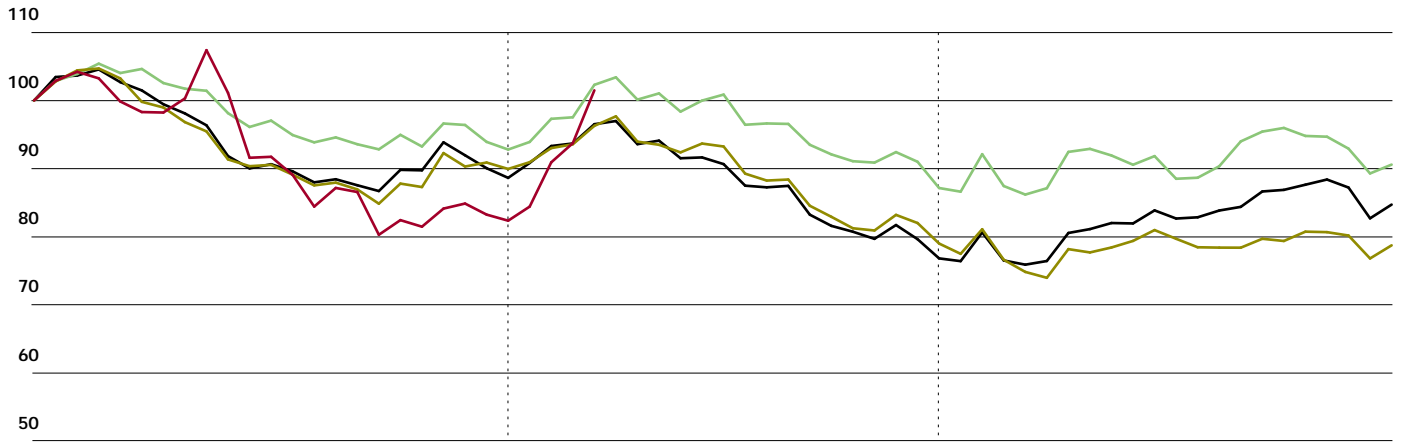


# LANXESS STOCK

The world's stock markets continued to perform poorly at the beginning of 2009. Bad news about the U.S. economy, particularly the banking sector, weighed heavily on share prices.

## **STOCK MARKETS REMAIN VOLATILE**

Because of the vast uncertainty still plaguing the markets, Germany's lead index DAX continued to fall in the first weeks of 2009, dipping



# INTERIM GROUP MANAGEMENT REPORT

AS OF MARCH 31, 2009

- Sales down by a substantial 31.3%
- EBITDA pre exceptionals €66 million, EBITDA margin 6.3%
- Net financial debt reduced to €744 million
- Healthy financial position and financing structure ensure stability
- Extensive package of measures launched under the name  
"CH

## Sales by Segment

€ million	Q1 2008	Q1 2009	Change %	Proportion of Group sales %
Performance Polymers	693	448	(35.4)	42.5
Advanced Intermediates	329	258	(21.6)	24.5
Performance Chemicals	495	338	(31.7)	32.1
Reconciliation	18	10	(44.4)	0.9
	<b>1,535</b>	<b>1,054</b>	<b>(31.3)</b>	<b>100.0</b>

Business receded marked onco(e)-14(s)-20(s)-3(-)-17(f7(.)-27(0))4005BDC 9 0 0 9 41.1023 661.4583 Tm(B)TjEMC 4]4005BDC 0.9 0 0)-






The Performance Polymers segment's EBITDA pre exceptionals fell by more than 92% to just €8 million. This was because volumes were lower in all four of the segment's business units, leading to high idle capacity costs that weighed heavily on earnings. Write-downs of inventories and continued inventory reductions by customers were also partly responsible. These effects were not fully offset by the temporary plant shutdowns and worktime adjustments implemented. Efficiency improvement measures adopted in the past prevented even greater earnings shrinkage. The decline in prices in some business units was offset by a fall in raw material costs. Exchange rate movements had a positive effect on earnings.

The EBITDA margin was at an extremely low level, down by 13.2 percentage points to just 1.8%.

The €5 million in exceptional charges incurred in the segment in the previous year, of which €2 million impacted EBITDA, related to write-downs of property, plant and equipment and other related costs.










## **SIGNIFICANT O**

In light of these developments, we expect EBITDA pre exceptionals in the second quarter of 2009 to come in at between €100 million and €120 million. The stated range takes into account idle capacity costs, which continue to put pressure on earnings. Moreover, lower raw material prices will lead to an adjustment in selling prices after the industry-standard time lag. However, when selling prices move downward as they are expected to do in the coming quarters, we will continue to pursue our goal of stabilizing margins by adhering to our price-before-volume strategy.

### **EVENTS AFTER THE REPORTING PERIOD**

At the beginning of April 2009, LANXESS successfully placed a benchmark eurobond on the European capital market. The issue has a volume of €500 million and a five-year term. The bond has a 7.75% coupon and is traded on the Luxembourg Stock Exchange. The successful placement is an important sign of the capital market's confidence in LANXESS. The proceeds serve to effectively secure the company's long-term liquidity position, further improve the maturity profile of its financial debt and possibly to refinance existing bank loans.



LANXESS GROUP **STATEMENT OF FINANCIAL POSITION**









# SEGMENT AND REGION DATA

## Key Data by Segment

€ million	Performance Polymers		Advanced Intermediates	
	Q1 2008	Q1 2009	Q1 2008	Q1 2009
External sales	693	448	329	258
Inter-segment sales	9	6	17	10
Segment/Group sales	702	454	347	268
Segment result/EBITDA pre exceptionals	104	8	56	46
EBITDA margin pre exceptionals (%)	15.0	1.8	17.0	17.8
EBITDA	102	8	56	46
EBIT pre exceptionals	78	(24)	45	35
EBIT	73	(24)	45	35
Segment capital expenditures	15	28	5	9
Depreciation and amortization	29	32	11	11
Employees as of March 31 (previous year: as of Dec. 31)	4,672	4,569	2,530	2,520



Performance Chemicals		Reconciliation		LANXESS	
Q1 2008	Q1 2009	Q1 2008	Q1 2009	Q1 2008	Q1 2009
495	338	18	10	1,535	1,054
2	3	(28)	(19)	0	0
497	341	(11)	(9)	1,535	1,054
82	39	(22)	(27)	220	66
16.6	11.5			14.3	6.3
79	38	(28)	(30)	209	62
63	22	(27)	(30)	159	3
60	21	(33)	(33)	145	(1)
11	13	3	2	34	52
19	17	5	3	64	63
5,021	4,997	2,574	2,526	14,797	14,612

North America		Latin America		Asia-Pacific		LANXESS	
Q1 2008	Q1 2009	Q1 2008	Q1 2009	Q1 2008	Q1 2009	Q1 2008	Q1 2009
250	181	79	96	281	175	1,535	1,054
16.3	17.2	5.1	9.1	18.3	16.6	100.0	100.0
1,464	1,422	1,412	1,313	1,446	1,417	14,797	14,612



## **SCOPE OF CONSOLIDATION**

The consolidated financial statements of the LANXESS Group include the parent company LANXESS AG along with all of its material domestic and foreign subsidiaries.

The new LANXESS company in Russia was consolidated for the first time in the first quarter of 2009. Through this company LANXESS steers its business in Russia and other countries of the Commonwealth of Independent States (CISCs o-40at

## **RELATED PARTIES**

In the course of its operations, the LANXESS Group sources materials, inventories and services from a large number of business partners

AUGUST 12

Interim Report Q2 2009

NOVEMBER 12

Interim Report Q3 2009

FEEDBACK

CONTACT  
US.

PLEASE DO NOT HESITATE TO CONTACT US  
IF YOU HAVE ANY QUESTIONS OR COMMENTS.

Contact Corporate Communications

Tel.: +49 214 30 47018

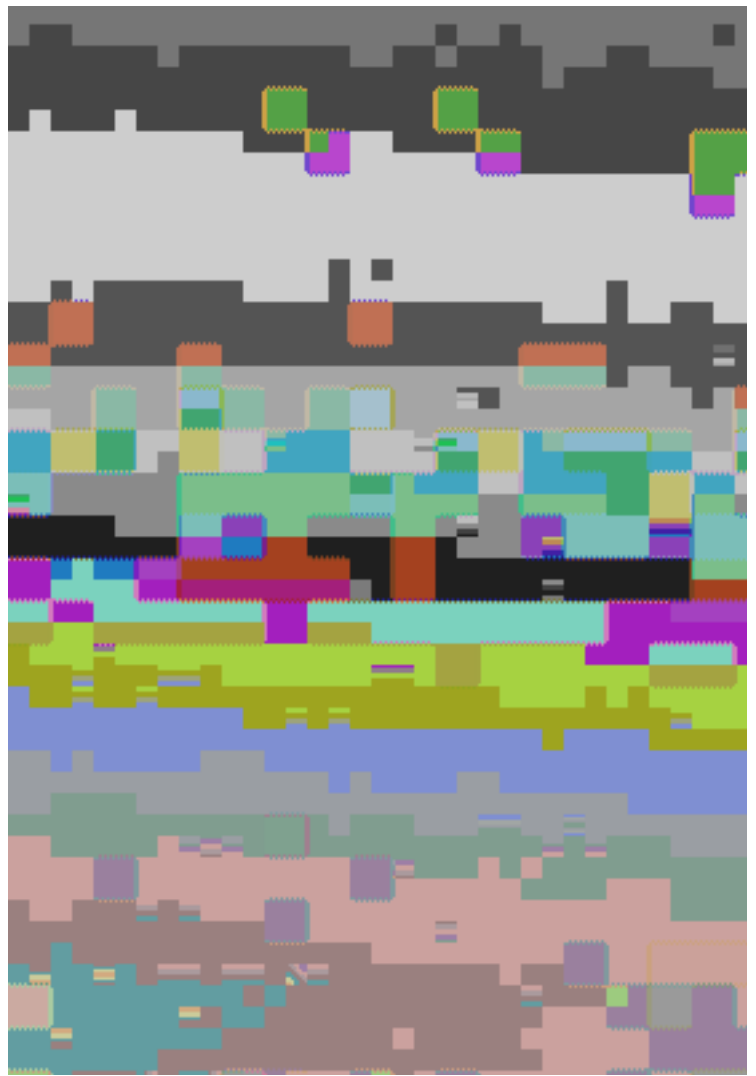
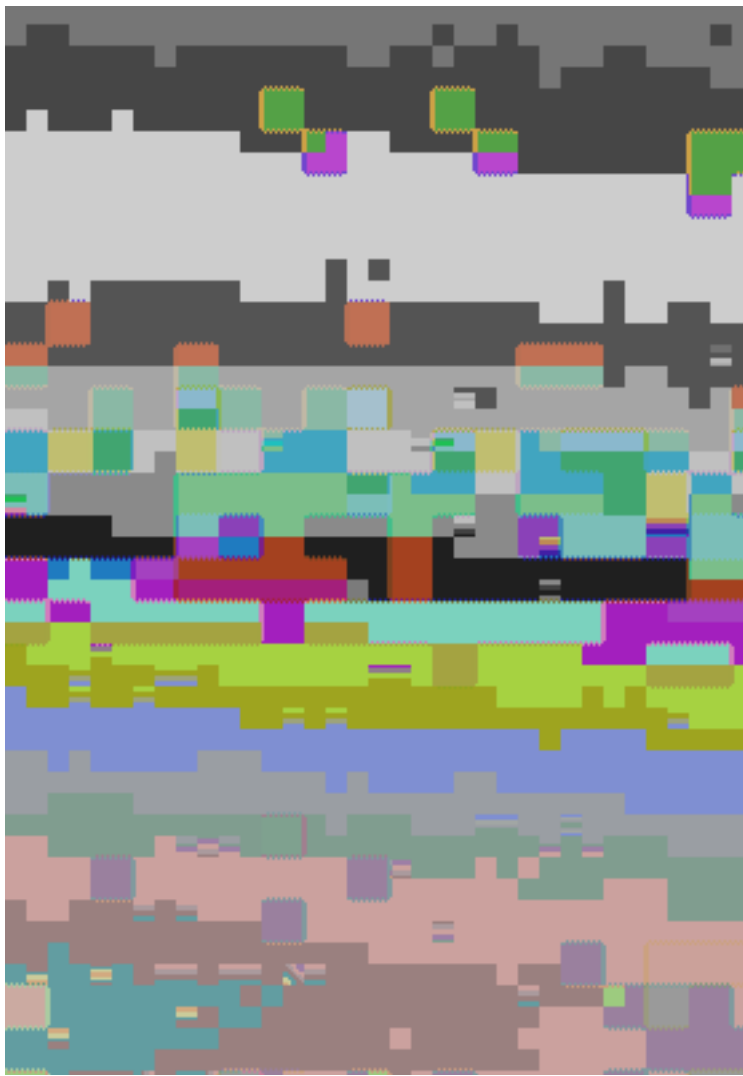
Email: [mediarelations@lanxess.com](mailto:mediarelations@lanxess.com)

Contact Investor Relations

Tel.: +49 214 30 23851

Email: [ir@lanxess.com](mailto:ir@lanxess.com)





PUBLISHER  
LANXESS AG  
51369 LEVERKUSEN  
GERMANY  
[WWW.LANXESS.COM](http://WWW.LANXESS.COM)

