

LANXESS Q3 2005 Financial Summary for Investors and Analysts

- **Strong third quarter – EBITDA pre exceptionals up 41% to €148 million**
- **“Price before volume” strategy continues to pay off**
- **Global restructuring: €132 million already booked**
- **Ahead of plan with restructuring**
- **Net financial debt reduced significantly to €11 million.**
- **Earnings guidance raised: full year 2005 EBITDA pre exceptionals between €560 million and €580 million**
- **FIB: Sale of Dorlastan Fibers business to Asahi Kasei Fibers planned**

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Q3 Business Overview

LANXESS Group

- Sales Deviation: Price: +10%, Volume -10%, Currency +1% (approx. numbers)
- Strong sales -even compared to robust Q3 2004- with continued implementation of price before volume strategy
- Risen raw material prices fully compensated by selling price increases
- Improved cost structure due to faster implementation of savings and solidarity agreement
- Net income in Q3 burdened by restructuring charges
- Net financial debt reduction due to: convertible buyback, improved operational Cash Flow and tight working capital management

Performance Rubber

- Sales Deviation: Price: +23%, Volume -6%, Currency +1% (approximate numbers)
- All BUs contributed to increased sales on the basis of improved pricing with even higher volumes in BTR, overall fully offsetting increased raw material costs
- Lower volumes due to comparison with exceptionally strong quantities in Q3 2004 - this does not represent a weakening in underlying demand
- Despite strong pricing, only slight profit increase due to higher input costs (i.e. butadiene and energy), expenses for planned maintenance and minor impact from hurricane “Rita”

Engineering Plastics

- Sales Deviation: Price: +6%, Volume -7%, Currency +1% (approximate numbers)
- Improved pricing in STY, stronger volume in SCP offset impact from weak FIB
- Only slightly improved results on the basis of sound development in STY with raised prices, supported by easing styrene input costs
- SCP somewhat burdened by costs for planned maintenance shutdown, however with solid contribution
- Restructuring is expected to further improve performance

Chemical Intermediates

- Sales Deviation: Price: +4%, Volume -15%, Currency +0% (approximate numbers)
- As anticipated, volumes in BAC and FCH comparably lower due to absence of summer-weakness in 2004, however slightly offset by increased prices
- EBITDA increased with strong profit contribution by BAC supported by tight markets for some products and easing benzene prices
- FCH showed overall good progress on the basis of already implemented measures. We advance clearly ahead of plan with our restructuring
- IPG back on track - on last year's level
- Capex extraordinarily high in Q3 2004 due to initial investments in several projects

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Performance Chemicals

- Sales Deviation: Price: +11%, Volume -13%, Currency +1% (approx. numbers)
- Stable Sales due to lesser seasonality in performance chemicals (specialities businesses)
- Stronger pricing mainly in RUC and FCC offset decreased volumes primarily in FCC, due to product portfolio changes
- EBITDA improved mainly by increased contributions from LEA, RUC, MPP and ION
- Exceptionals in 2004 consisted mainly of environmental provisions

2005 Outlook and underlying assumptions

Assumptions:

- Exchange rate €1.0 = ~USD1.25
- Continuous supportive economic environment
- Q4 somewhat weaker business versus Q3
- Only minor restructuring expenses expected Q4 2005

Guidance:

- Q4 expected with slightly weaker sales compared to previous year, due to strong Q4 2004
- Due to faster implementation of restructuring measures and continued good environment, FY 2005 EBITDA pre exceptionals now expected at €560 - €580 million
- Capex at lower end of €250 - 270 m range
- Depreciation and Amortization ~€250 m
- Neutral P&L tax line expected for FY 2005

Leverkusen, November 17, 2005

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.

- Financial Overview

in € million

| | LANXESS | | | Perf. Rubber | | | Eng. Plast. | | | Chem. Intern. | | | Perf. Chem. | | | Recon. | | |
|---------------------------|---------|-------|-----------|--------------|-------|-----------|-------------|-------|-----------|---------------|-------|-----------|-------------|-------|-----------|--------|-------|-----------|
| | Q3 04 | Q3 05 | Chg. in % | Q3 04 | Q3 05 | Chg. in % | Q3 04 | Q3 05 | Chg. in % | Q3 04 | Q3 05 | Chg. in % | Q3 04 | Q3 05 | Chg. in % | Q3 04 | Q3 05 | Chg. in % |
| Sales | 1764 | 1776 | 1% | 352 | 414 | 18% | 443 | 441 | 0% | 416 | 373 | -10% | 491 | 489 | 0% | 62 | 59 | -5% |
| Price* | | | 10% | | | 23% | | | 6% | | | 4% | | | 11% | | | n.m. |
| Volume* | | | -10% | | | -6% | | | -7% | | | -15% | | | -13% | | | n.m. |
| Currency* | | | 1% | | | 1% | | | 1% | | | 0% | | | 1% | | | n.m. |
| EBIT | -4 | -54 | n.m. | 21 | 18 | -14% | 0 | 3 | n.m. | 14 | 39 | >100% | -16 | 38 | n.m. | -23 | -152 | n.m. |
| Deprec. & amortizat. | 67 | 69 | 3% | 11 | 17 | 55% | 13 | 11 | -15% | 24 | 16 | -33% | 15 | 18 | 20% | 4 | 7 | 75% |
| EBITDA | 63 | 15 | -76% | 32 | 35 | 9% | 13 | 14 | 8% | 38 | 55 | 45% | -1 | 56 | n.m. | -19 | -145 | n.m. |
| exceptionals in EBITDA | 42 | 133 | >100% | 1 | 4 | >100% | 0 | 0 | n.m. | 0 | 0 | n.m. | 41 | 1 | -98% | 0 | 128 | n.m. |
| EBITDA pre excep. | 105 | 148 | 41% | 33 | 39 | 18% | 13 | 14 | 8% | 38 | 55 | 45% | 40 | 57 | 43% | -19 | -17 | n.m. |
| normalized D&A | 59 | 60 | 2% | 11 | 17 | 55% | 11 | 8 | -27% | 17 | 14 | -18% | 16 | 18 | 13% | 4 | 3 | -25% |
| EBIT pre excep. | 46 | 88 | 91% | 22 | 22 | 0% | 2 | 6 | >100% | 21 | 41 | 95% | 24 | 39 | 63% | -23 | -20 | n.m. |
| exceptionals in EBIT | 50 | 142 | >100% | 1 | 4 | >100% | 2 | 3 | 50% | 7 | 2 | -71% | 40 | 1 | -98% | 0 | 132 | n.m. |
| Capex | 54 | 52 | -4% | 14 | 15 | 7% | 9 | 7 | -22% | 25 | 10 | -60% | 12 | 19 | 58% | -6 | 1 | n.m. |
| Net financial debt | 1135** | 811 | -29% | | | | | | | | | | | | | | | |

* approximate numbers

**per Dec. 31. 2004

