

The image features a large, light gray 'X' logo centered in the upper half. The background consists of several blurred, diagonal red and silver lines, suggesting a technical or industrial setting. A solid red horizontal bar is positioned below the logo, extending from the left edge towards the center.

LANXESS – Q3 2011 Results Conference Call

Delivering on growth expectations

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Leverkusen, November 10, 2011



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Agenda

- Highlights and business update Q3 2011
- Business and financial review Q3 2011
- Outlook/Guidance

Highlights

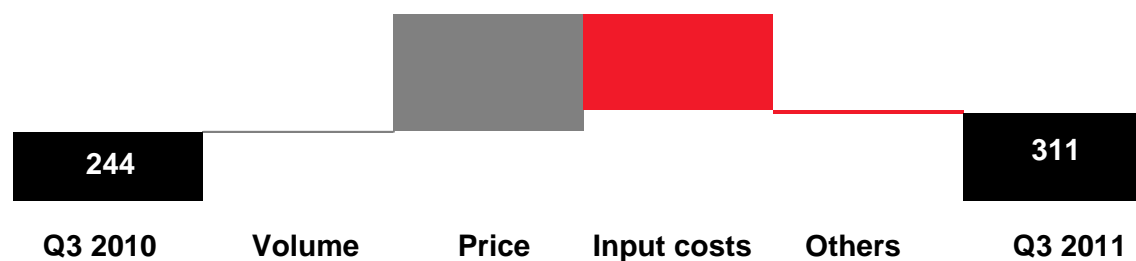
Business	Price increases offset sharply higher input costs	 Price before volume intact
	Increased focus on premium products	
	Solid demand despite some customer destocking	
Growth	Delivery on M&A: <ul style="list-style-type: none">- Successful integration of DSM EPDM with excellent Q3 contribution- Acquisition of UNITEX closed on October 12	 On track to achieve growth target 2015
	Investments (BTR, PBR, SCP, All, ION) fully on schedule	
Guidance	LANXESS expects 2011 EBITDA pre growth of ~20% yoy	

“Price-before-volume” strategy successfully continued

Q3 yoy sales variances	Price	Volume	Currency	Portf.	Total
Performance Polymers	36%	5%	-8%	15%	48%
Advanced Intermediates	8%	0%	-3%	0%	4%
Performance Chemicals	8%	-4%	-4%	2%	2%
LANXESS	23%	1%	-6%	8%	26%

- All three segments achieve organic growth
- Performance Polymers with substantial portfolio effect

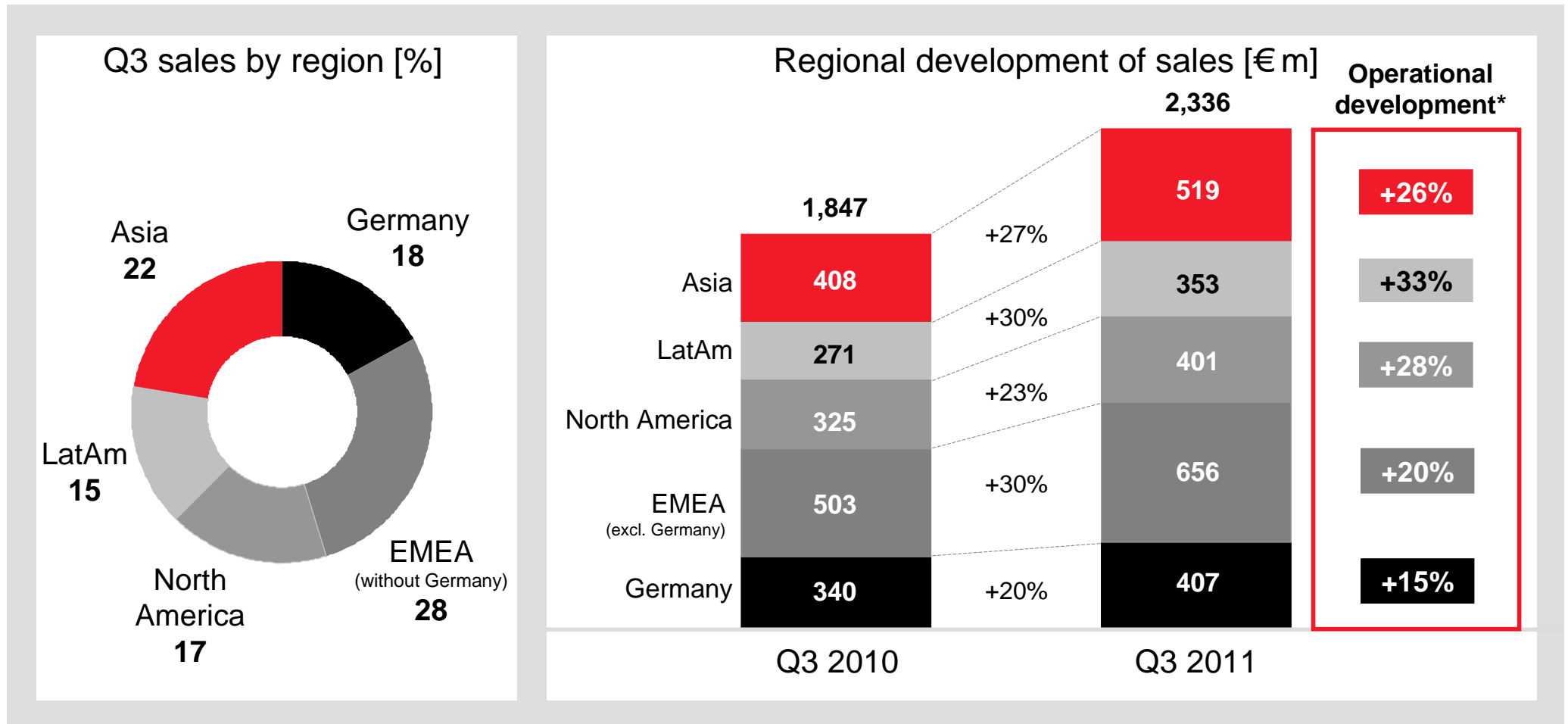
Q3 yoy EBITDA bridge [€m]



- Strict adherence to “price-before-volume” strategy offsets steep rise in raw material prices
- Other costs mainly comprise adverse currency effects

Chart 5

Continued strong growth in Asia and Latin America



* Currency and portfolio adjusted

Chart 6

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Q3 2011 financial overview: another quarter of solid growth with good margins

[€m]	Q3 2010	Q3 2011	yoy in %
Sales	1,847	2,336	26.5%
EBITDA pre except. margin	244 13.2%	311 13.3%	27.5%
EPS	1.42	1.85	30.3%
Capex*	107	148	38.3%

[€m]	31.12.2010	30.09.2011	% vs. YE
Net Financial Debt	913	1,362	49.2%
Net Working Capital	1,372	1,992	45.2%
Employees	14,648	16,070	9.7%

Double digit increase in all key financial metrics

- Sales growth reflects price increases and acquisitions
- “Price-before-volume” strategy supports EBITDA and margin
- Capex increases due to execution of growth projects
- Net debt rises after acquisitions, stable development vs. Q2
- Working capital driven by raw material pricing, portfolio and stronger business activity
- Headcount increase mainly due to recent acquisitions

* Net of projects financed by customers and capitalized borrowing costs

Another solid quarter with good development of bottom-line

[€m]	Q3 2010		Q3 2011		yoy in %
Sales	1,847	(100%)	2,336	(100%)	26%
Cost of sales	-1,387	(75%)	-1,805	(77%)	30%
Selling	-166	(9%)	-183	(8%)	10%
G&A	-70	(4%)	-77	(3%)	10%
R&D	-34	(2%)	-40	(2%)	18%
EBIT	169	(9%)	223	(10%)	32%
Net income	118	(6%)	154	(7%)	31%
EPS	1.42		1.85		
EBITDA	238	(13%)	306	(13%)	29%
thereof exceptionals	-6	(0%)	-5	(0%)	-17%
EBITDA pre exceptionals	244	(13%)	311	(13%)	28%

- Sales increased yoy due to higher prices (+23%), portfolio additions (+8%) and slightly higher volumes (+1%) only mitigated by currency (-6%)
- Gross margin slightly lower due to ~€20 m inventory devaluation (mainly Butadiene)
- Focus on technology and innovation leads to planned increase in R&D expenses
- Substantial improvement in EBITDA at stable margins

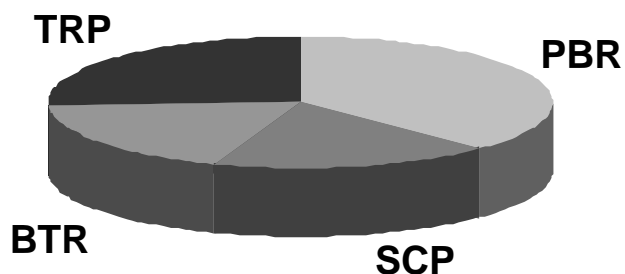
Expected seasonal pattern partly offset by portfolio effect

Performance Polymers: strict “price-before-volume” strategy and EPDM contribution lead to a very strong quarter

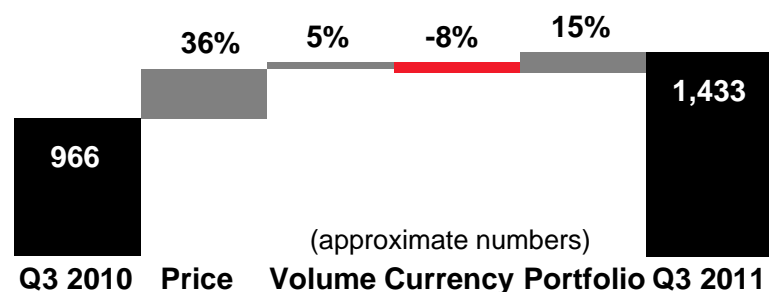
[€m]	Q3 2010	Q3 2011
Sales	966	1,433
EBIT	97	166
Depr. / Amort.	35	45
EBITDA	132	211
EBITDA pre exceptionals	133	213
Margin	13.8%	14.9%
Capex*	53	88

- Sales increase significantly due to price and portfolio effects with support from volumes but burdened by currency
- All BUs manage to increase prices and volumes in tandem, rise in raw material prices fully compensated
- Ongoing strong demand in BU BTR; BU PBR with softer demand from Asia in ESBR
- Solid demand for EPDM and NBR rubbers in BU TRP
- DSM EPDM business contributes to strong performance
- Capex increases as investment projects proceed

Sales by BU



Sales bridge year on year [€ m]



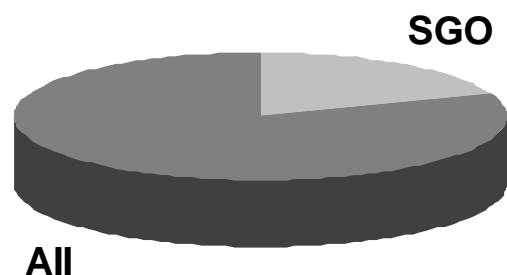
* Net of capitalized borrowing costs

Advanced Intermediates: stable performance from strong agro end markets

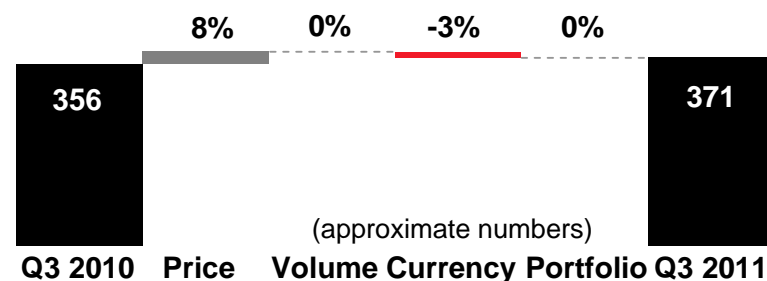
[€m]	Q3 2010	Q3 2011
Sales	356	371
EBIT	51	52
Depr. / Amort.	15	16
EBITDA	66	68
EBITDA pre exceptionals	66	68
Margin	18.5%	18.3%
Capex*	25	26

- Sales increase on the back of healthy pricing somewhat mitigated by currency effects
- BU SGO posts high margins from solid agro demand while pharma shows some softening
- BU All with continued solid demand from agro and automotive end markets, volumes from other end-markets softening (e.g. construction, color and coatings industries)
- Segment results and margins at high level demonstrate great stability

Sales by BU



Sales bridge year on year [€ m]



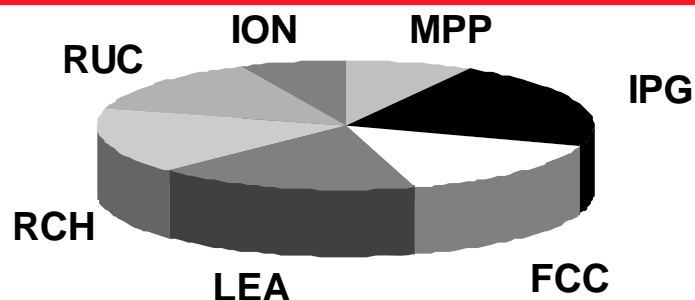
* Net of projects financed by customers

Performance Chemicals: segment performance affected by weakening construction demand

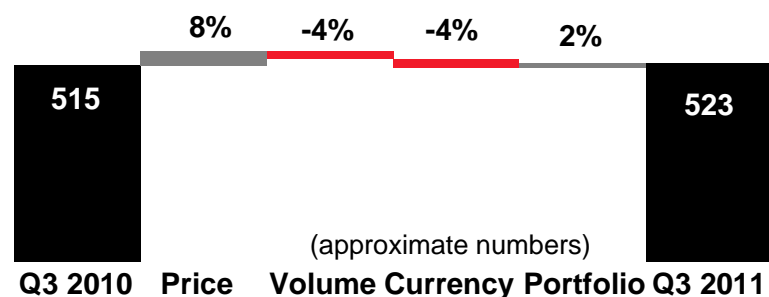
[€m]	Q3 2010	Q3 2011
Sales	515	523
EBIT	67	55
Depr. / Amort.	16	20
EBITDA	83	75
EBITDA pre exceptionals	83	75
Margin	16.1%	14.3%
Capex	25	31

- Sales improve slightly as price increases and positive portfolio effects are mitigated by negative volume and currency effects
- All businesses compensate raw material price increases
- BU ION and BU RCH achieve price and volume increases
- BUs IPG, FCC and MPP with lower earnings on tough comparables and partly softer demand (construction and electro & electronics industry)
- BU LEA with some impact due to a supplier's outage
- Lower capacity utilization weighs on segment margin

Sales by BU



Sales bridge year on year [€ m]



A strong balance sheet

[€m]	Dec 31, 2010	Sep 30, 2011		Dec 31, 2010	Sep 30, 2011
Non-current Assets	2,738	3,130	Stockholders' Equity	1,761	2,081
Intangible assets	226	350	Non-current Liabilities	2,454	2,571
Property, plant & equipment	2,131	2,345	Pension & post empl. provis.	605	651
Equity investments	13	35	Other provisions	351	319
Other investments	8	16	Other financial liabilities	1,302	1,385
Other financial assets	74	85	Tax liabilities	50	52
Deferred taxes	170	178	Other liabilities	106	96
Other non-current assets	116	121	Deferred taxes	40	68
Current Assets	2,928	3,614	Current Liabilities	1,451	2,092
Inventories	1,094	1,491	Other provisions	422	483
Trade accounts receivable	942	1,237	Other financial liabilities	176	599
Other current assets	368	297	Trade accounts payable	664	736
Near cash assets	364	356	Tax liabilities	34	98
Cash and cash equivalents	160	233	Other liabilities	155	176
Total Assets	5,666	6,744	Total Equity & Liabilities	5,666	6,744

- Inventory increase due to higher raw material prices, portfolio effect and additional volumes
- Mark-to-market valuation of Gevo investment
- Net debt to EBITDA ratio* at comfortable ~1.2

* Calculated on LTM EBITDA pre

Chart 13

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Strong cash generation

[€m]	9M 2010	9M 2011
Profit before Tax	461	651
Depreciation & amortization	204	233
Gain from sale of assets	0	-2
Result from equity investments	-23	-19
Financial (gains) losses	65	65
Cash tax payments	-76	-34
Changes in other assets and liabilities	-12	35
Operating cash flow before changes in WC	619	929
Changes in working capital	-352	-518
Operating cash flow	267	411
Investing cash flow	-119	-540
thereof capex	-206	-325
Financing cash flow	-201	210

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

Cash flow mirrors growth strategy

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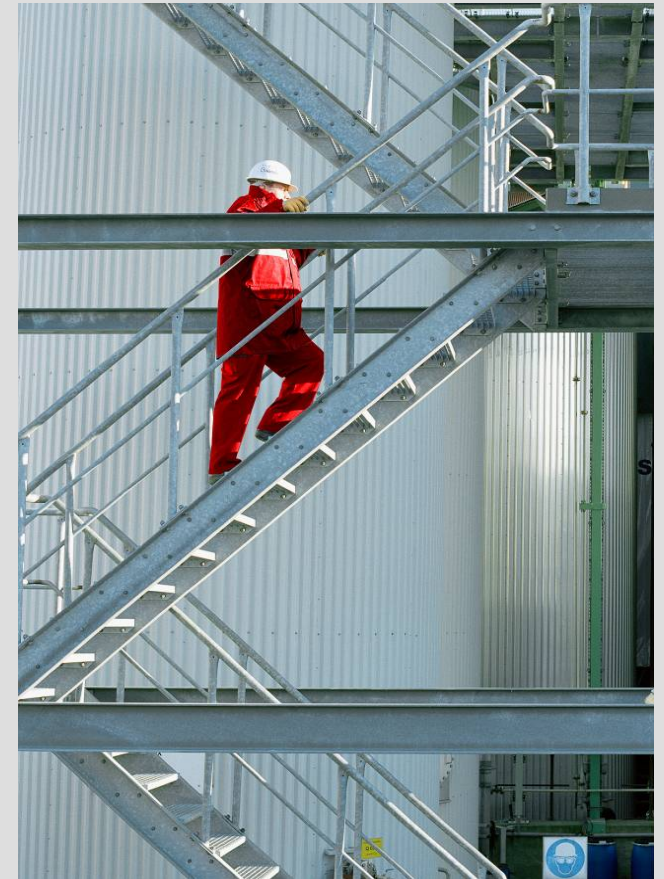
LANXESS remains confident for 2011 – EBITDA guidance confirmed at ~20% above previous year

Current macro view

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

LANXESS confirms guidance for 2011

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



* All references to EBITDA are pre exceptionals

LANXESS

Energizing Chemistry



Appendix

2011 financial expectations

Additional financial expectations for 2011

- Capex 2011 : ~€600 m
Capex 2012 : around 2011 level
- D&A : ~€300 – €320 m
- Tax rate : 20 to 25%
- Hedging 2011 : ~40% at 1.30-1.40 USD / EUR
Hedging 2012 : ~30% at 1.30-1.40 USD / EUR

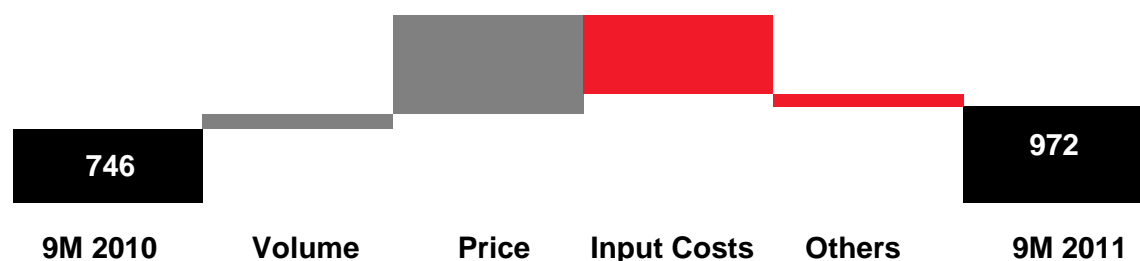


Strong increase of prices and volumes in tandem

9M yoy sales variances	Price	Volume	Currency	Portf.	Total
Performance Polymers	29%	8%	-6%	8%	40%
Advanced Intermediates	8%	7%	-2%	0%	13%
Performance Chemicals	7%	2%	-3%	2%	9%
LANXESS	19%	6%	-4%	5%	26%

- Substantial organic growth as prices and volumes increase
- Positive portfolio effects from recent acquisitions
- Adverse currency effects

9M yoy EBITDA bridge [€m]



- Substantial price increases drive earnings
- “Price before volume” intact, raw material inflation offset
- Other costs mainly contain negative currency effects

Chart 20

9M 2011 financial overview: solid growth and good margins

[€m]	9M 2010	9M 2011	yoy in %
Sales	5,288	6,652	25.8%
EBITDA pre except. margin	746 14.1%	972 14.6%	30.3%
EPS	4.24	6.02	42.0%
Capex*	206	325	57.8%

[€m]	31.12.2010	30.09.2011	% vs. YE
Net Financial Debt	913	1,362	49.2%
Net Working Capital	1,372	1,992	45.2%
Employees	14,648	16,070	9.7%

Double digit increase in all key financial metrics

- Sales growth reflects price increases and acquisitions
- “Price-before-volume” strategy supports EBITDA and margin
- Capex increases due to execution of growth projects
- Net debt rises after acquisitions, stable development vs. Q2
- Working capital driven by raw material pricing, portfolio and stronger business activity
- Headcount increase mainly due to recent acquisitions

* Net of projects financed by customers and capitalized borrowing costs

Strong operational performance

[€m]	9M 2010	9M 2011	yoy in %
Sales	5,288 (100%)	6,652 (100%)	26%
Cost of sales	-3,960 (75%)	-5,060 (76%)	28%
Selling	-470 (9%)	-540 (8%)	15%
G&A	-197 (4%)	-221 (3%)	12%
R&D	-89 (2%)	-105 (2%)	18%
EBIT	529 (10%)	724 (11%)	37%
Net income	353 (7%)	501 (8%)	42%
EPS	4.24	6.02	
EBITDA	733 (14%)	957 (14%)	31%
thereof exceptionals	-13 (0%)	-15 (0%)	15%
EBITDA pre exceptionals	746 (14%)	972 (15%)	30%

- Strong sales increase on the back of significant prices (+19%) and good volumes (+6%) as well as supporting portfolio (+5%) effects, foreign exchange somewhat negative (-4%)
- Operational expenses increase with higher business activity as well as recent acquisitions but show a stable development in relation to sales
- Strict “price-before-volume” strategy, additional demand and acquisitions increase EBITDA

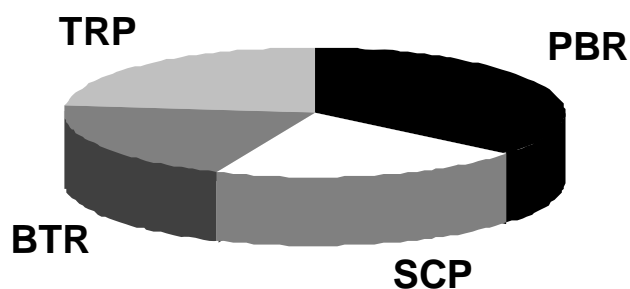
Leveraging premium products, market positions and M&A activities

Performance Polymers: significant price increases are key to strong YTD performance

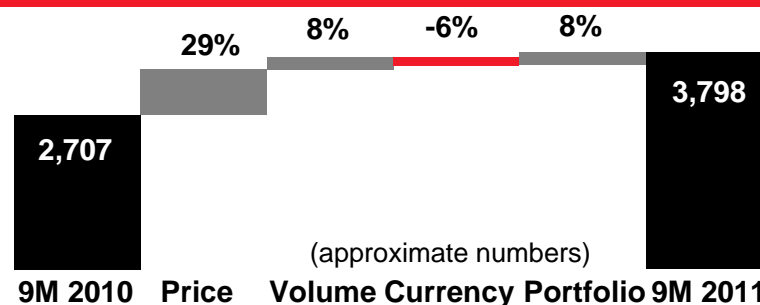
[€m]	9M 2010	9M 2011
Sales	2,707	3,798
EBIT	319	522
Depr. / Amort.	106	117
EBITDA	425	639
EBITDA pre exceptionals	428	641
Margin	15.8%	16.9%
Capex*	104	200

- Price increases in all BUs, offsetting Butadiene-driven raw material price rise
- Healthy end-market demand reflected in solid volume increase
- PBR with positive mix effect from Nd-PBR as well as SSBR
- BU SCP expansion activities completed according to plan; EPDM integration on track in BU TRP
- Positive pricing and strong DSM EPDM performance support segment EBITDA; margins above previous year's high level
- Planned increase of capex for Singapore, significant further increase planned towards year end

Sales by BU



Sales bridge year on year [€ m]



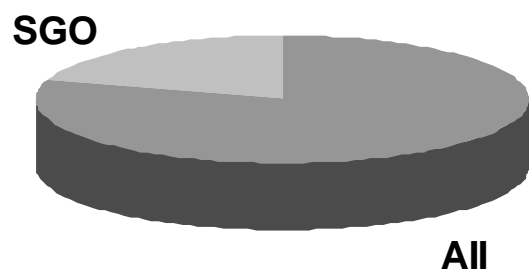
* net of capitalized borrowing costs

Advanced Intermediates: agro-business drives earnings

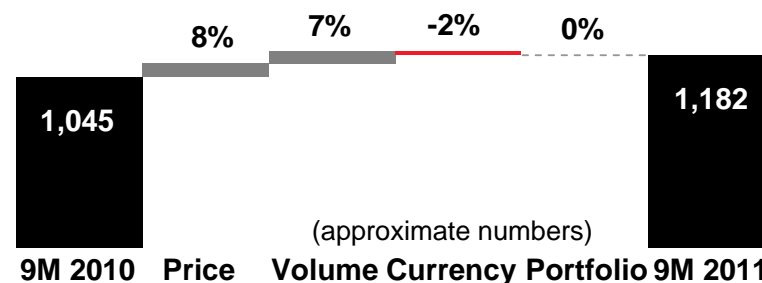
[€m]	9M 2010	9M 2011
Sales	1,045	1,182
EBIT	147	158
Depr. / Amort.	43	50
EBITDA	190	208
EBITDA pre exceptionals	190	208
Margin	18.2%	17.6%
Capex*	37	59

- Price increases compensate raw material price inflation (Benzene)
- Both BUs with overall strong volumes based on agro-related demand, BU SGO shows some softening in pharma
- Additional volumes from expansion of cresol train at BU All
- EBITDA increases above strong level of previous year
- Stable margins mirror price pass-through
- Higher capex from expansion in BU Advanced Industrial Intermediates (Chlorotoluenes, Cresols, Menthol)

Sales by BU



Sales bridge year on year [€ m]



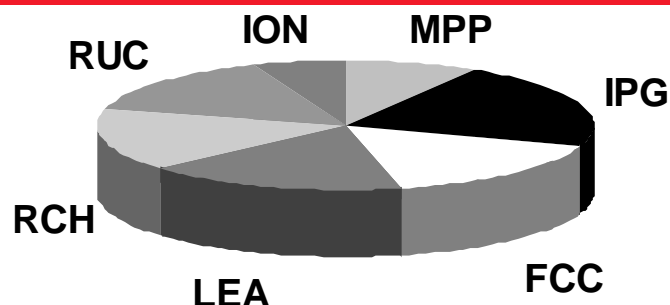
* Net of projects financed by customers

Performance Chemicals: strong price performance leads to strong EBITDA and stable margin

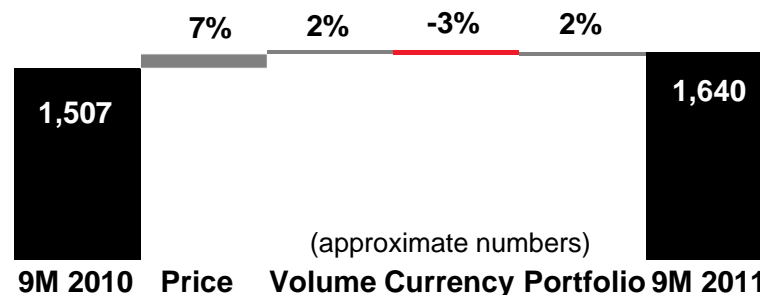
[€m]	9M 2010	9M 2011
Sales	1,507	1,640
EBIT	196	203
Depr. / Amort.	49	57
EBITDA	245	260
EBITDA pre exceptionals	245	260
Margin	16.3%	15.9%
Capex	57	59

- Price and volume developments lead to stronger sales, raw materials offset by price increases
- All business units with price increases
- RUC and RCH are strongest contributors to EBITDA increase
- BU LEA impacted by industry strikes in South-Africa and Argentina as well as a supplier's outage
- Strict adherence to "price-before-volume" strategy leads to solid margin

Sales by BU



Sales bridge year on year [€ m]



Strong cash flow based on solid business performance

[€m]	Q3 2010	Q3 2011	
Profit before Tax	145	200	<ul style="list-style-type: none"> Higher profit before tax due to strong “price-before-volume” strategy and portfolio additions Strong operating cash flow before working capital from excellent operating business performance Cash outflow from higher working capital due to increase in inventories driven by price and volumes Investing cash flow contains investment in near cash assets
Depreciation & amortization	69	83	
Gain from sale of assets	0	0	
Result from equity investments	-11	-7	
Financial (gains) losses	25	22	
Cash tax payments	-48	-28	
Changes in other assets and liabilities	29	45	
Operating cash flow before changes in WC	209	315	
Changes in working capital	-2	-152	
Operating cash flow	207	163	
Investing cash flow	-220	-189	
thereof capex	-107	-148	
Financing cash flow	46	-24	

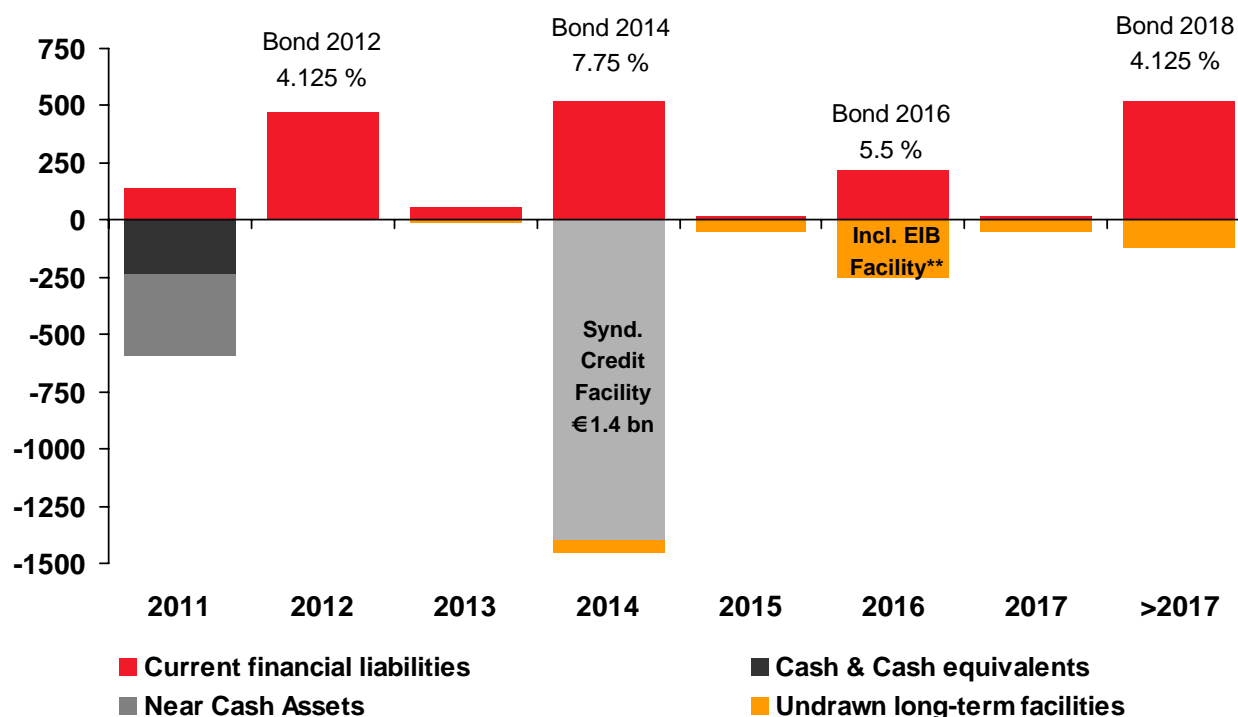
Solid operating cash flow somewhat burdened by working capital increase

A well managed and conservative maturity profile

Long term financing secured

- Well balanced maturity profile
- Diversified financing sources
 - Bonds & bilateral credit lines
 - Syndicated Credit Facility
 - Development banks
- Additional financing sources:
 - €200 m EIB* long-term credit facility for up to seven years
 - ~ €250 m other undrawn long-term facilities with 7 to 10 year amortization

Liquidity and maturity profile as per September 2011

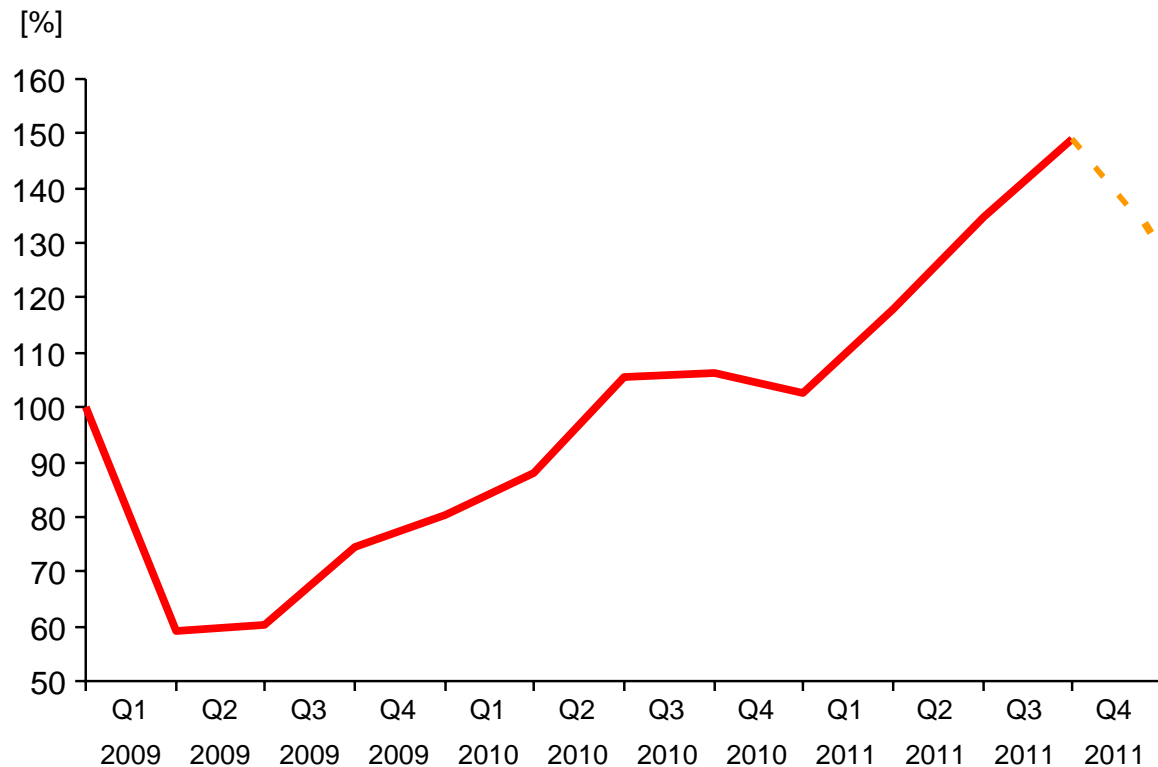


* European Investment Bank; **Final maturity of EIB financing in case of utilization in 2016 or later; EIB facility currently undrawn

Chart 27

Raw materials expected to reverse their trend

Global raw materials index*



- Raw material prices increase since the start of 2010
- Q3 and Q4 '10 with a relatively stable raw material price development
- Feedstock prices (mainly Butadiene, Benzene and Cyclohexane) rose during 2011, prices set to decrease in Q4
- Related inventory devaluation expected for Q4 2011 (~ €35 m)

LANXESS committed to price before volume strategy

* source: LANXESS, average 2008 = 100%

Chart 28

LANXESS

Business line Adipic Acid shifted to BU All

Adipic Acid used captively and for external sales

In €m

Q3 2010

External sales

20

EBIT

10

D&A

1

EBITDA

11

▪ Adipic Acid sales split into:

- External sales
- Inter-BU sales
- BU Captive use

- Business line Adipic Acid transferred from Performance Polymers to Advanced Intermediates
- Originally located in BU SCP, now part of BU All
- Restatement reflects transfer of financials from Performance Polymers and addition to Advanced Intermediates

**Transfer of Adipic Acid:
Value chain streamlined**

Chart 29

LANXESS

Exceptional items incurred in Q3 2010 and Q3 2011

[€m]	Q3 2010		Q3 2011	
	Exceptional	thereof D&A	Exceptional	thereof D&A
Performance Polymers	1	0	2	0
Advanced Intermediates	0	0	0	0
Performance Chemicals	0	0	0	0
Reconciliation	5	0	3	0
Total	6	0	5	0

Chart 30

Exceptional items incurred in 9M 2010 and 9M 2011

[€m]	9M 2010		9M 2011	
	Exceptional	thereof D&A	Exceptional	thereof D&A
Performance Polymers	3	0	2	0
Advanced Intermediates	0	0	0	0
Performance Chemicals	0	0	0	0
Reconciliation	10	0	13	0
Total	13	0	15	0

Chart 31

Abbreviations

Performance Polymers

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

Advanced Intermediates

- All Advanced Industrial Intermediates
- 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

Upcoming events 2012

Upcoming events

- FY results 2011 March 22, 2012
- Q1 results 2012 May 9, 2012
- AGM May 15, 2012
- Q2 results 2012 August 7, 2012
- Q3 results 2012 November 6, 2012

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