

LANXESS India outperformed its own records

- **Best-ever quarter in India**
- **Q3 LANXESS India sales EUR 65 million**
- **Globally, Q3 sales EUR 2.3 billion, up 26% yr-on-yr**
- **Performance polymers segment has shown best results in India**
- **FY outlook confirmed: EBITDA pre exceptionals to rise by roughly 20% to more than EUR 1 billion**

Mumbai, November 15, 2011. LANXESS achieved a record third quarter in 2011 due to ongoing strong demand especially for its synthetic rubbers and high-tech plastics. The German specialty chemicals company also reiterated its full-year outlook for EBITDA pre exceptionals to grow about 20 percent year-on-year and thus exceed the EUR one billion mark for the first time in the company's history.

In India, LANXESS achieved sales of around EUR 65 million in the third quarter, registering a growth of around 52% year-on-year. India is a key pillar of the BRICS strategy that LANXESS pursues and has been performing consistently.

Mr. Venkatesh Sankaran, Executive Director and Chief Financial officer, LANXESS India Private Limited said, "Overall, this was our best quarter by far. The performance polymers segment clocked a growth rate of about 155% in India, which is the highest amongst the three business segments. In this segment, the poly butadiene rubber business unit emerged the strongest."

This is acknowledgment of the fact that the applications of high performance rubbers from LANXESS are increasingly finding acceptance in the Indian market.

In recognition of this historic achievement, LANXESS' Board of Management has decided to increase the budget for the annual

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performance payment by an additional EUR 20 million to a total of EUR 100 million for all eligible employees worldwide, who are part of the Annual Performance Payout bonus scheme.

“I am delighted that our team has not only achieved another record quarter but also surpassed 2010 earnings already in the first nine months of 2011,” said Axel C. Heitmann, Chairman of the Board of Management of LANXESS AG. “Our focus on innovative, high-tech products for the four global megatrends, especially mobility, has proven again to be the right one.”

Globally, sales increased by 26 percent year-on-year to EUR 2.3 billion.

EBITDA pre exceptionals rose 27 percent year-on-year to EUR 311 million in the third quarter. This result already contains an inventory devaluation of roughly EUR 20 million in the Performance Polymers segment. The EBITDA margin pre exceptionals rose to 13.3 percent in the third quarter from 13.2 percent a year earlier and the net profit increased 31 percent year-on-year to EUR 154 million.

Performance by region

Asia-Pacific increased sales by 27 percent year-on-year to EUR 519 million in the third quarter and represented 22 percent of Group sales. China, India and South Korea were the strongest performers.

Sales in **Germany** rose 20 percent year-on-year to EUR 407 million in the third quarter and represented 18 percent of Group sales. The company’s rubber activities benefited especially from strong demand for winter tires.

Sales in the five **BRICS countries (Brazil, Russia, India, China, South Africa)** rose 35 percent year-on-year to EUR 588 million. These key markets now represent 25 percent of Group sales.

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Outlook

“We confirm our outlook for EBITDA pre exceptionals to grow by about 20 percent this year and thus exceed the EUR one billion mark for the first time,” said Heitmann.

In spite of the prevailing macroeconomic conditions, LANXESS still expects solid growth in the BRICS countries. Also, the company has proven in the past that it can react quickly and efficiently to any challenge due to its excellent strategic set-up.

Heitmann added that LANXESS will be sticking to its growth strategy going forward as part of the company’s goal to achieve EUR 1.4 billion EBITDA pre exceptionals in 2015. In order to reach this goal, the company is continually investing in new and existing plants to meet growing demand. **LANXESS now expects to spend EUR 600 million in 2011, at the top end of its 550-600 million guidance.**

Q3 2011 Key Data (globally)

(EUR million)

	Q3 2011	Q3 2010	Change %
Sales	2,336	1,847	26.5
EBITDA pre exceptionals	311	244	27.5
EBITDA margin pre exceptionals (percent)	13.3	13.2	
Net income	154	118	30.5
Earnings per share (€)	1.85	1.42	30.3

LANXESS is a leading specialty chemicals company with sales of EUR 7.1 billion in 2010 and currently around 16,100 employees in 30 countries. The company is at present represented at 47 production sites worldwide. The core business of LANXESS is the

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News Release

development, manufacturing and marketing of plastics, rubber, intermediates and specialty chemicals.

Forward-Looking Statements.

This news release may contain 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.

Information for editors:

All LANXESS news releases and their accompanying photos can be found at <http://press.lanxess.com>. Recent photos of the Board of Management and other LANXESS image material are available at <http://photos.lanxess.com>. The latest TV footage, audiofiles and podcasts can be found at <http://corporate.lanxess.com/en/media/audio-video/>.

You can find further information concerning LANXESS chemistry in our WebMagazine at <http://webmagazine.lanxess.com>.

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