

LANXESS continues on growth path

- **Q1 sales for LANXESS AG EUR 2.4 billion, up 15%**
- **Q1 sales for LANXESS India: INR 4260 mn, up 19%**
- **Global Outlook 2012: FY EBITDA pre expected to grow 5-10% vs. 2011**

Mumbai, May 09, 2012. LANXESS has made a promising start to the business year 2012. The specialty chemicals company increased EBITDA pre exceptionals by nearly 15 percent year-on-year globally to EUR 369 million in the first quarter.

LANXESS India sales grew by 19% as compared to Q1 2011. The sales for LANXESS in India amounted to INR 4260 m (EUR 64.65 mn), marking a positive start to the year. The sales for the Performance Chemicals segment topped the charts, having grown by 29%. In this segment, the business unit Leather did exceptionally well this quarter, both in terms of volume of sales and increase in market share. This was closely followed by the Performance Polymers segment which grew by 22%. This was driven by the business units Performance Butadiene Rubbers and Technical Rubber Products, which grew steadily in this quarter, in tandem with the recovery of end user industries like tyre, automobile and other industrial applications.

Production started for the new and relocated plants at Jhagadia in the state of Gujarat, hence business units Rhein Chemie and Material protection products also showed a healthy growth as compared to Q1 2011.

On this occasion, Mr. Venkatesh Sankaran, Executive Director and Chief Financial Officer, LANXESS India said, "We are happy that our new assets in Jhagadia have started delivering and the economic environment is optimistic. As a result, we feel this is a positive start to 2012 and are looking forward to a good year. "

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Dr. Joerg Strassburger, Managing Director and Country Representative added, "Our new plants in Jhagadia have strengthened our position in the Indian market as well as our global production network. We can deliver better to our Indian customers for those products that are manufactured here. Some of our global acquisitions in 2011 have also helped expand our customer base in India, this has showed off in the Q1 2012 results. Some of our end user industries like automobile, tyre, paints and coatings have shown healthy signs of recovery this quarter and this makes our prospects for 2012 look promising."

LANXESS Global

Sales increased roughly 15 percent year-on-year to EUR 2.4 billion. This was mainly due to price increases of nine percent that fully offset rising raw material costs. Positive portfolio effects of seven percent were mainly attributed to the Keltan-EPDM-business acquired from DSM. In addition, positive currency effects of two percent supported sales. Volumes declined by three percent from the very strong first quarter a year earlier.

The EBITDA pre exceptionals margin remained unchanged at 15.5 percent and net profit increased by 16 percent year-on-year to EUR 193 million.

"In view of our very good start to the year, we expect EBITDA pre exceptionals to increase five to ten percent year-on-year in 2012," said Axel C. Heitmann, LANXESS' Chairman of the Board of Management. "Our confidence is based on our strategic focus on premium products and innovative technologies, which serve the megatrends and emerging markets."

Sales by Region

Asia-Pacific increased sales by 19 percent year-on-year to EUR 549 million in the first quarter, representing 23 percent of Group sales. China and Thailand showed the strongest sales growth. Sales in the five **BRICS countries (Brazil, Russia, India, China, South Africa)**

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rose 21 percent year-on-year to EUR 554 million and represented 23 percent of Group sales in the first quarter.

Sales in **Germany** rose five percent to EUR 416 million in the first quarter and represented 17 percent of Group sales.

Outlook

“With the pleasing start to the year, we have created a good basis to continue on our successful growth path also in 2012,” said Heitmann. LANXESS expects for the full-year 2012 EBITDA pre exceptionals to rise by five to ten percent from EUR 1,146 million in 2011.

LANXESS still expects that the high levels of sovereign debt in some of the established countries, along with the austerity programs launched as a result, could detract from steady economic development. Currency exchange rates, as well as raw material and energy costs, will remain volatile. LANXESS will continue to stick to its proven price-before-volume strategy.

“Furthermore, LANXESS is bringing on stream new capacities in all three segments. We will also sharpen our focus on innovation and the latest technologies in order to develop premium products for our customers. Our synthetic rubbers and high-tech plastics will play a leading role especially in the “Green Mobility”,” added Heitmann.

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Q1 2012 Key Data (global)

(EUR million, changes in percent)

	Q1 2011	Q1 2012	Change
Sales	2,073	2,388	15.2
EBITDA pre exceptionals	322	369	14.6
EBITDA margin pre exceptionals (percent)	15.5	15.5	
Net income	166	193	16.3
Earnings per share (EPS)	€2.00	€2.32	16.3

Profitable growth, coupled with a solid financial position, remains central to the LANXESS business.

An amendment in the LANXESS organization:

The business unit Semi-Crystalline Products (SCP), one of the leading suppliers of high-tech plastics for the automotive and electronic industries, has been renamed High Performance Materials (HPM), with immediate effect. The new name reflects the numerous advantages provided by the business unit's product portfolio to its customers. One example is high-tech plastics that lower the weight of automotive parts and thus reduce fuel consumption.

About LANXESS.

LANXESS is a leading specialty chemicals company with sales of EUR 8.8 billion in 2011 and currently around 16,700 employees in 30 countries. The company is at present represented at 48 production sites worldwide. The core business of LANXESS is the development, manufacturing and marketing of plastics, rubber, intermediates and specialty chemicals. LANXESS is a member of the leading sustainable indices Dow Jones Sustainability Index (DJSI) World and FTSE4Good.

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

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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

The latest news from LANXESS direct to your mobile phone: mobile.lanxess.com.

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, audio files and podcasts can be found at <http://multimedia.lanxess.com>.

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

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