

LANXESS India shows steady performance in Q2 2012

- Q2 sales for LANXESS India around INR 415 cr, up 4%
- Q2 sales for LANXESS AG EUR 2.42 billion, up 8.1%
- Global Forecast confirmed: EBITDA pre exceptionals expected to grow by 5-10%

Mumbai, August 22, 2012. Specialty chemicals Group LANXESS continued to grow in the second quarter in India as well as globally. LANXESS in India achieved sales of around INR 415 cr as compared to INR 400 cr, registering a growth of 4% as compared to Q1 2011.

"Amidst a mixed picture in the world markets, LANXESS India is on the right path and the results delivered are good. LANXESS continues to remain confident in an increasingly uncertain environment and will do whatever possible to counter adversities and meet targets driven by our technical expertise and focused growth on the Asia region", confirmed Joerg Strassburger, Managing Director and Country Representative, LANXESS India.

"Despite volatility in raw material and energy costs, we could sail smoothly as far as the country sales are concerned. The business segment Advanced Industrial Intermediates grew the highest followed by the Performance chemicals segment. Among Performance Polymers, the business unit Technical Rubber Products did impressively well", said Venkatesh Sankaran, Chief Financial Officer, LANXESS India.

LANXESS Global

EBITDA pre exceptionals rose by 6.8 percent year-on-year to EUR 362 million. Sales advanced by 8.1 percent to EUR 2.42 billion. Sales improved mainly as a result of currency effects and selling price increases. Raw material cost increases were fully passed on to the market in all segments. The EBITDA margin pre exceptionals, at 14.9 percent, was level with the previous year.

LANXESS India Private Limited

Media contact:

Sunder Rajan
General Manager- Head of
Corporate Communications
LANXESS House,
Plot no A-162, A-163, A-164,
Road No 27, Wagle Estate,
Opp. ITI College,
MIDC, Thane (west) – 400604
Phone: +91 22 2587 1000 (B)
Phone: +91 22 2587 1540 (D)
Telefax: +91 22 25826742
sunder.rajan@lanxess.com

Rhituparna Mitra
Manager – Public Relations
LANXESS House,
Plot no A-162, A-163, A-164,
Road No 27, Wagle Estate,
Opp. ITI College,
MIDC, Thane (west) – 400604
Phone: +91 22 2587 1000 (B)
Phone: +91 22 2587 1553 (D)
Telefax: +91 22 25826742
rhituparna.mitra@lanxess.com

Sales of LANXESS in **Asia-Pacific** rose by nearly 24 percent to EUR 608 million, bringing the region's share of Group sales to 25 percent. In the five **BRICS countries** (Brazil, Russia, India, China and South Africa), sales advanced by more than 14 percent year-on-year to EUR 597 million. These countries represented nearly 25 percent of Group sales.

Global Outlook

LANXESS continues to anticipate a typically seasonal business pattern for the business year 2012. Consequently, the company expects the EBITDA contributions of the first half of the year in relation to the second half in a ratio of 60:40. In view of increasing economic challenges, LANXESS does not expect to see any further momentum in the second half of the year.

"We therefore expect the operating result in the second half of 2012 to be approximately at the prior-year level," said Heitmann.

For Europe, LANXESS continues to predict weak economic development as a result of the euro debt crisis. The company anticipates moderate economic growth in Asia and Latin America. The U.S. economy will probably continue to expand, though possibly at a slower pace.

Raw material and energy costs are expected to remain volatile in the second half of the year. LANXESS will strictly adhere to its price-before-volume strategy.

In addition, LANXESS has successfully launched further strategic investment projects in its growth markets in the first half of the year. As a result, the company now expects capital expenditures of EUR 650 million to EUR 700 million in 2012 in comparison to the EUR 600 million originally planned.

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General Manager- Head of Corporate Communications
LANXESS House,
Plot no A-162, A-163, A-164,
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Road No 27, Wagle Estate,
Opp. ITI College,
MIDC, Thane (west) – 400604
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“Our performance is reflected against a very strong previous year and we are on the way to achieving an even better result in 2012 after our strong second quarter,” added Heitmann.

Q2 2012 Key Data (EUR million)

| | Q2 2012 | Q2 2011 | Change (percent) |
|--|---------|---------|---------------------|
| Sales | 2,424 | 2,243 | +8.1 |
| EBITDA pre exceptionals | 362 | 339 | +6.8 |
| EBITDA margin pre exceptionals (percent) | 14.9 | 15.1 | |
| Net income | 176 | 181 | (2.8) |
| Earnings per share | 2.11 | 2.17 | (2.8) |

LANXESS is a leading specialty chemicals company with sales of EUR 8.8 billion in 2011 and currently around 16,900 employees in 31 countries. The company is currently 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 sustainability 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 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 the related 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>. Up-to-date TV footage, audio files and podcasts are available at <http://corporate.lanxess.com/en/media/audio-video/>.

Find out more about LANXESS chemistry, read our WebMagazine at <http://webmagazine.lanxess.com>.

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Media contact:

Sunder Rajan
General Manager- Head of Corporate Communications
LANXESS House,
Plot no A-162, A-163, A-164,
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Opp. ITI College,
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