

### **LANXESS optimistic for 2010 following very good start to the year**

- **Q2 proceeding very well**
- **FY EBITDA pre exceptionals forecast EUR 650-700 million confirmed**
- **Focus on growth regions and future market trends**
- **Company passed the 'stress test' of the economic crisis**
- **Planned capital expenditures of EUR 400 - 430 million**

**Cologne** – Specialty chemicals group LANXESS got off to a very good start in 2010, laying the foundation for a significant improvement in its operating result compared with last year. “We are optimistic about our future business prospects,” said LANXESS CEO Axel C. Heitmann on Friday at the company’s Annual Stockholder’s Meeting in Cologne. Confirming the guidance issued, when the company published its first-quarter results, he said EBITDA pre exceptionals for the full year 2010 is expected to come in at between EUR 650 and 700 million. “After all, the second quarter is also proceeding very well.”

Heitmann anticipates that the company’s overall operating environment will continue to improve during the year, though with regional variations. The Asia-Pacific and Latin America regions, and especially China, India and Brazil, will maintain the growth trend of the first quarter, Heitmann predicted. He also expects that North America and Europe will continue to recover, but not as quickly. Heitmann sees particular risks in the excessive financial debt of some eurozone countries, the ending of governments’ economic stimulus programs and the volatility of raw material prices.

“All in all, LANXESS is facing the rest of the year with confidence – but also with respect,” said Heitmann. “We are certain that the crisis has not yet been overcome. But we are making good progress.” He said the company remains on course and will continue to make the most of its strengths: foresighted crisis management, alignment

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toward fast-growing regions and future market trends, the right business structure and an excellent product portfolio.

### **Challenge09-12**

According to Heitmann, it is particularly important now to strengthen and stabilize the positive trends experienced so far this year. LANXESS will therefore adhere to its Challenge09-12 package of measures designed to achieve total savings of EUR 360 million by 2012.

However, sustained success requires more than just saving money. "To be successful, you have to set tomorrow's course today and align to the right trends. And that's what we're doing at LANXESS." Heitmann said the company's entire strategy for the coming years is focused on the three megatrends of mobility, urbanization and water treatment, which he described as the most important drivers of global growth in the medium and long term. For each of these megatrends, LANXESS has the right products and the right ideas in its portfolio, he explained.

### **Fiscal 2009**

Heitmann said the company passed the 'stress test' presented by the economic crisis in 2009: "We held up well and stayed on course," he declared. Although EBITDA pre exceptionals, at EUR 465 million, was far lower in 2009 than in the previous year, this was "a truly remarkable result" considering the 23 percent drop in sales to EUR 5.1 billion. And it confirms the success of the numerous stabilization measures initiated in early 2009 to deal with the crisis, Heitmann said.

### **Capital expenditures**

Heitmann said that last year LANXESS particularly felt the benefits of its focus on the fast-growing BRIC countries – Brazil, Russia, India

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and China. “The Asia/Pacific region, above all, has provided a tailwind for our business during the crisis.” Asia is therefore a focus of current capital expenditures, he said, listing examples such as the recent groundbreaking for the new butyl rubber plant in Singapore, the joint venture established at the beginning of May in China for the production of nitrile rubber, and the two new production facilities in Jhagadia, India.

LANXESS continues to invest selectively in Germany too, Heitmann pointed out. For example, January 2010 saw groundbreaking for a new chemical plant in Bitterfeld. And in Leverkusen, Syngenta – one of the world’s leading suppliers of crop protection products and a long-standing customer of LANXESS subsidiary Saltigo – is financing the construction of new production facilities that will be used to manufacture active ingredients exclusively for Syngenta. “Out of the EUR 400 to 430 million in capital expenditures planned for 2010, some EUR 150 million will be spent to build or expand facilities in Germany,” said Heitmann.

LANXESS is a leading specialty chemicals company with sales of EUR 5.06 billion in 2009 and currently around 14,300 employees in 23 countries. The company is represented at 42 production sites worldwide. The core business of LANXESS is the development, manufacturing and marketing of plastics, rubber, intermediates and specialty chemicals.

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### **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

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## News Release



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

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