



Butyl Rubber – The Enabler of Mobility

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Agenda

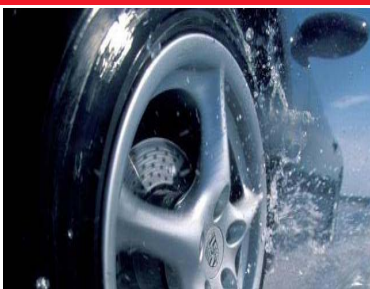
- **Butyl Rubber – Business overview**
- Growth drivers
- Investments
- Outlook

2

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Business Unit Butyl Rubber – A premium supplier of high-quality butyl and halobutyl rubbers

Performance Polymers



Butyl Rubber

Performance Butadiene Rubbers

Technical Rubber Products

Semi-Crystalline Products




Applications Butyl Rubber



3

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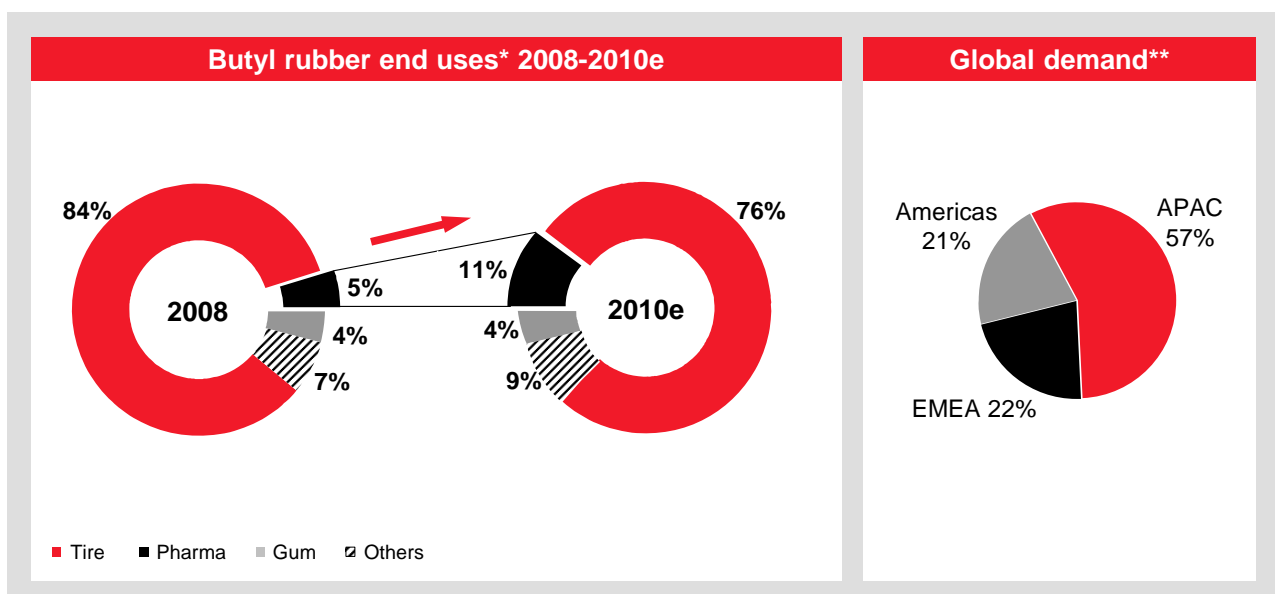
Butyl Rubber – Business overview

Facts	<ul style="list-style-type: none"> ▪ Production capacity: ~400,000 t/a (all announced investments) ▪ Sales: >€500 m ▪ Employees: ~900 ▪ Customers: >200
Products & brands	<ul style="list-style-type: none"> ▪ Product groups: Regular butyl Halobutyl ▪ Main brands:   
Markets & competition	<ul style="list-style-type: none"> ▪ Share: LANXESS No. 2 in oligopolistic market ▪ Market size: ~€2.2 bn in 2010e ▪ Competitors: ExxonMobil Chemicals, Sinopec, Nizhnekamskneftekhim, Sibur Holding

4

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Butyl Rubber – A market leader in synthetic rubber

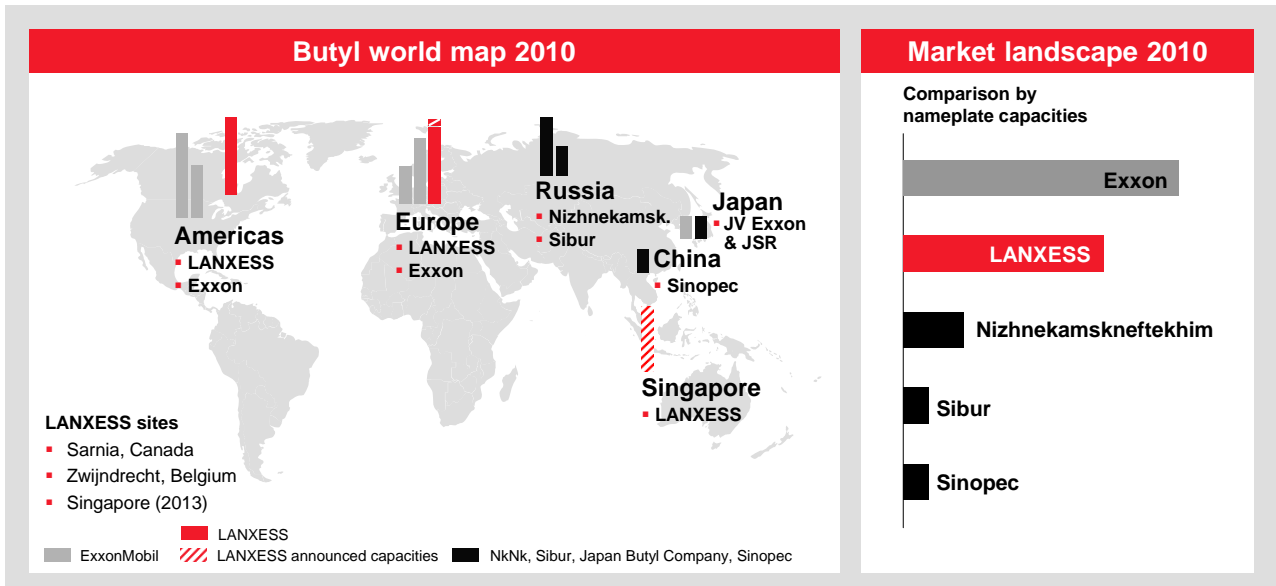


* Based on BU sales; ** LANXESS estimates

5

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LANXESS is the only true global player in butyl rubber



Source: LANXESS market intelligence based CMAI, SRI; not to scale

6



Butyl Rubber is a core business within LANXESS

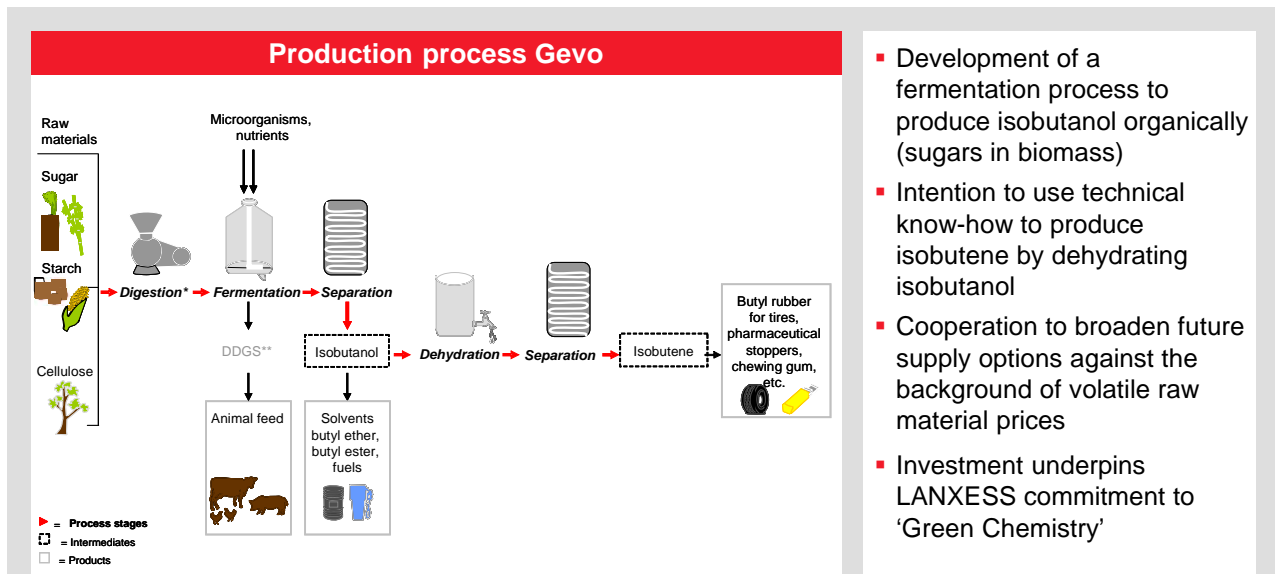
Technology and process focus	Customer focus	Future focus
<ul style="list-style-type: none"> Secured raw material supply Cost efficiency due to world-scale plants Integrated approach for product and application development 	<ul style="list-style-type: none"> THE reliable long-term supplier Close cooperation with customers to meet specific needs Only supplier of regulatory-approved food grade butyl rubber Technical experts worldwide 	<ul style="list-style-type: none"> R&D pipeline for tire & non-tire Steadily investing in the future (Singapore, Antwerp expansion) Long-term strategic orientation and market intelligence Investing in biological raw material sources (Gevo)

Securing and leveraging LANXESS leading market position

7



Step towards securing alternative raw material supply



* Mechanic, chemical und enzymatic; ** DDGS – Distillers' Dried Grains with Solubles

8

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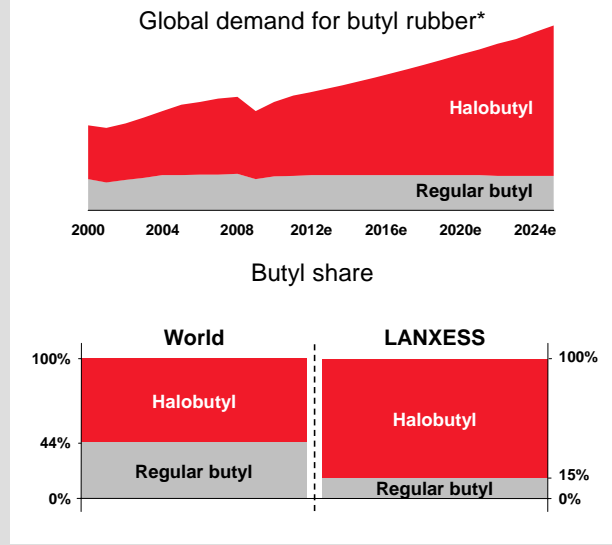
9

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Butyl Rubber: growing markets with good demand, especially in emerging countries

Market development

- Overall long-term (2011-2015) CAGR:
 - APAC: ~5%
 - EMEA: ~2%
 - Americas: ~2.5%



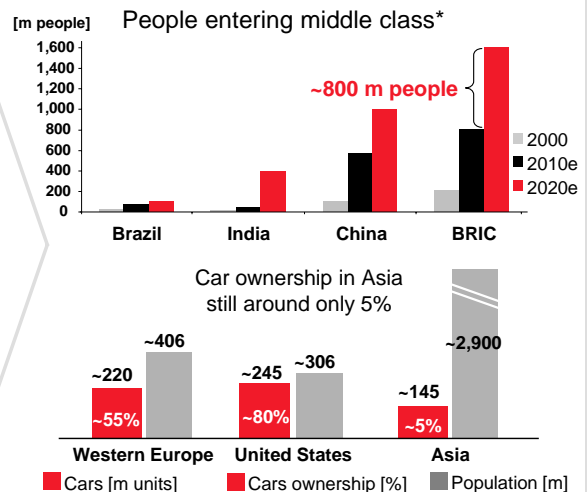
* LANXESS market intelligence 2010

Great untapped potential from growing middle class in Asia

Growth driving megatrends

- Mobility:
 - Growing middle-class in emerging countries
 - Increasing global trend for radial truck and bus tires
- Urbanization:
 - Growing requirements for high-quality medical packaging

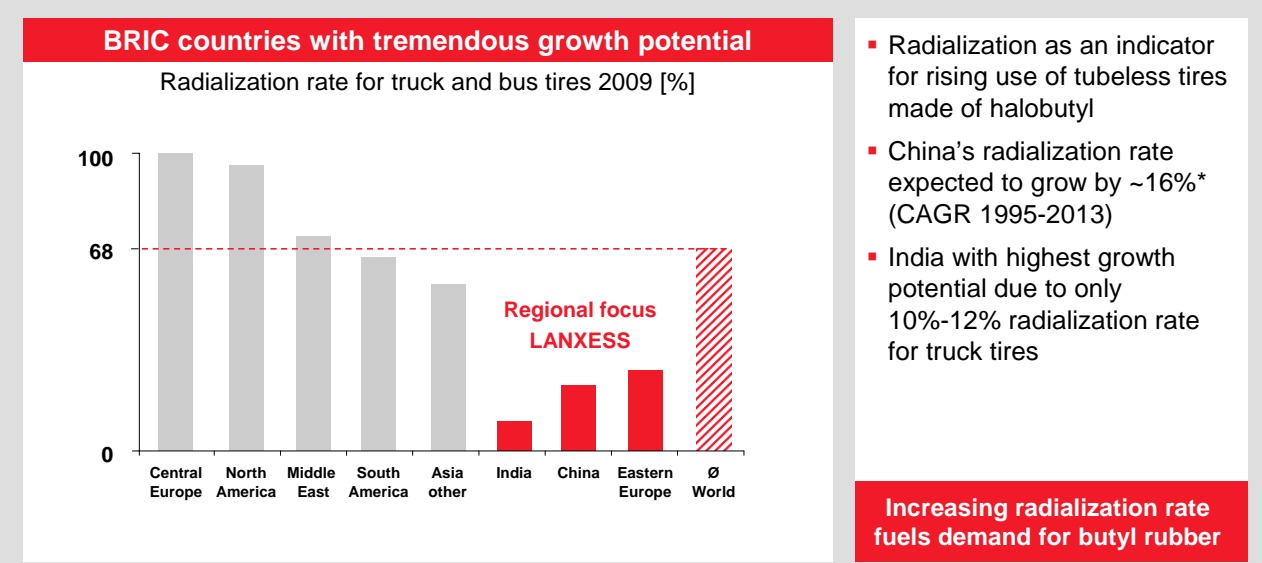
Growing middle-class in emerging countries



Source: Goldman Sachs Global Economics Group, "Is this the BRICs decade?", 2010; Michelin estimates

* Population with income >\$6,000 and <\$30,000/capita in BRIC countries

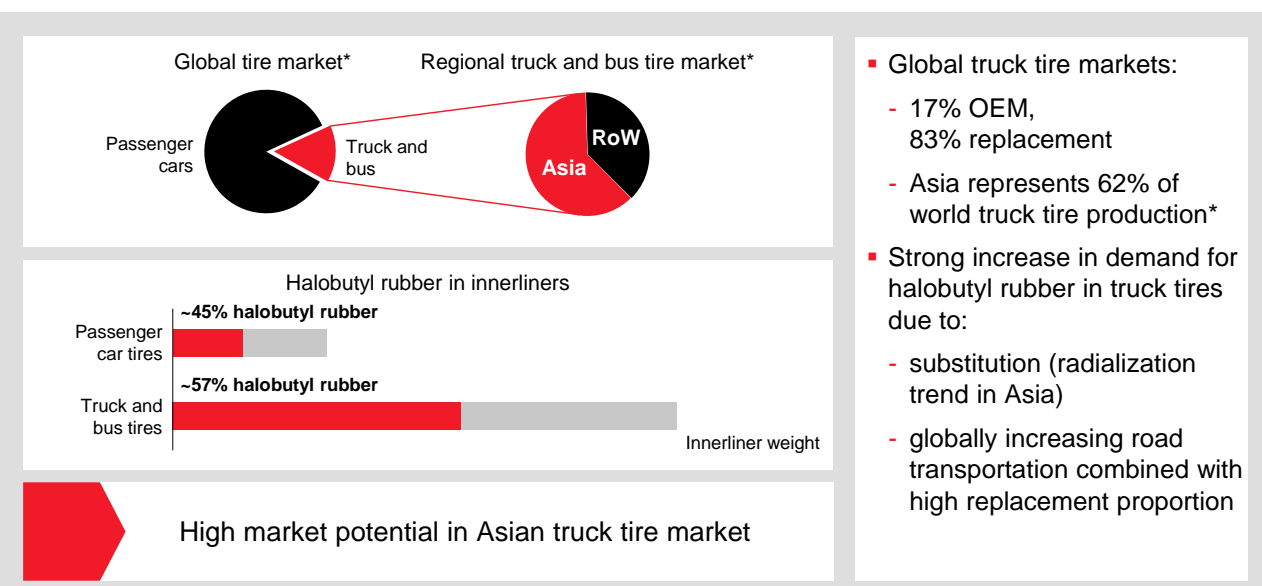
Improvement of road infrastructure and radialization stimulate global trend for radial truck and bus tires



- Radialization as an indicator for rising use of tubeless tires made of halobutyl
- China's radialization rate expected to grow by ~16%* (CAGR 1995-2013)
- India with highest growth potential due to only 10%-12% radialization rate for truck tires

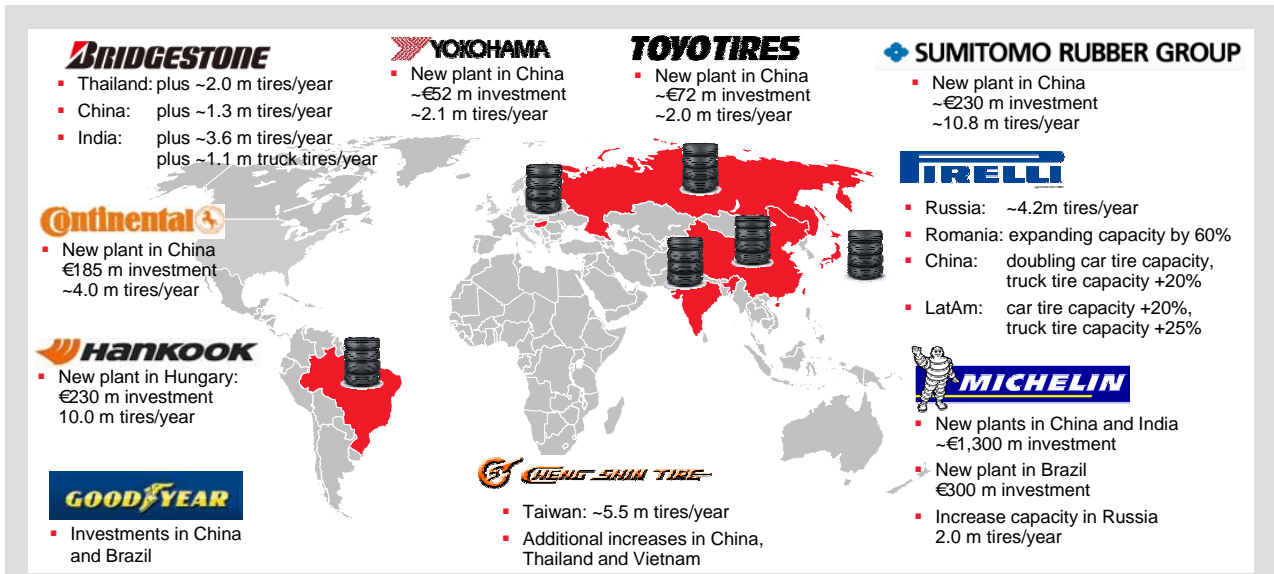
Source: Michelin Factbook 2009, LANXESS market intelligence; * www.bekaert.com, LANXESS market intelligence

Significant growth potential from Asian truck and bus tire market



Note: Non-halobutyl part of innerliner contains: Processing aids, catalysts and additives; * LMC 2010

Tire producers are reacting swiftly

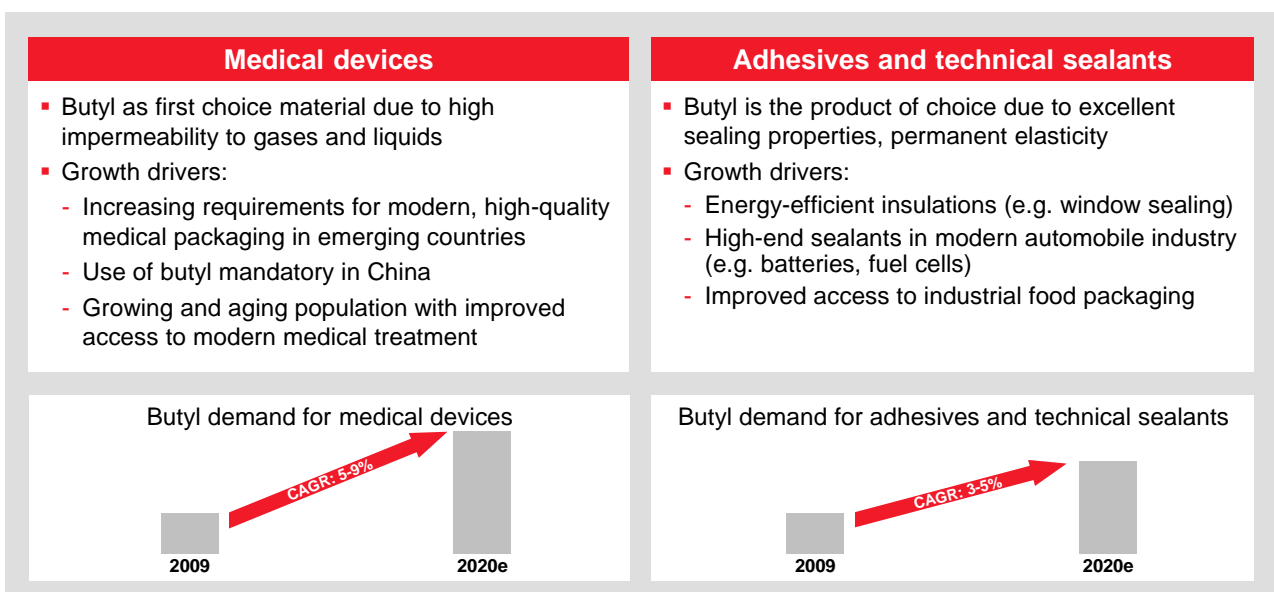


Source: Companies' websites

14

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High-quality non-tire applications with long-term growth rates

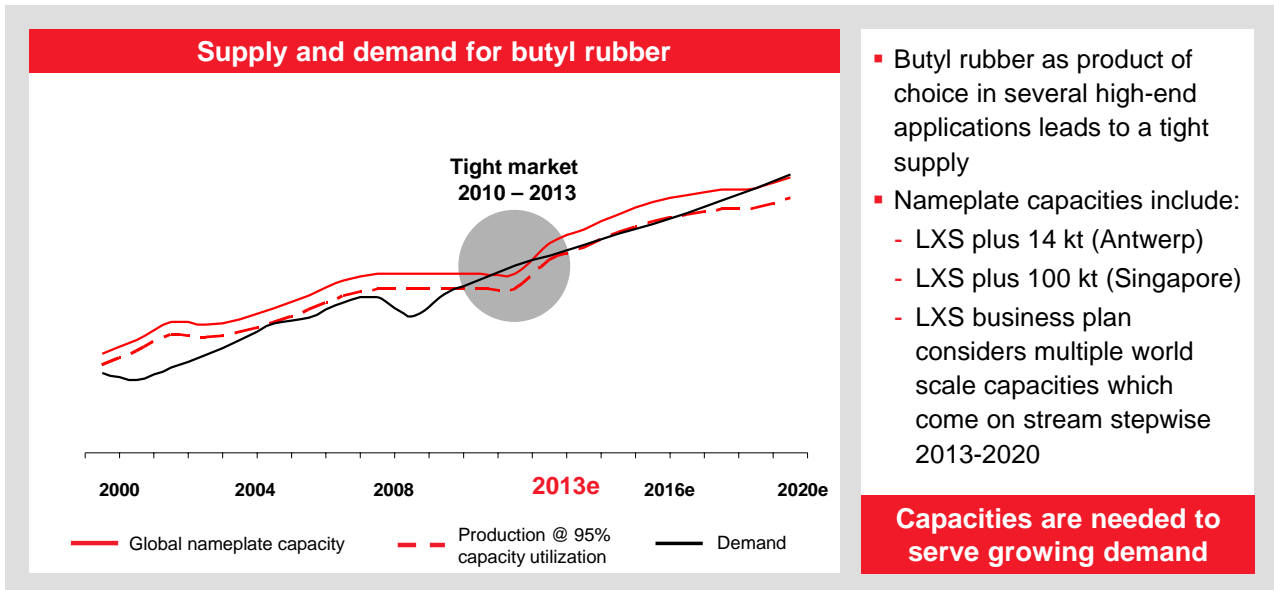


Source: LANXESS market intelligence

15

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Debottlenecking in Antwerp necessary to bridge the gap until Singapore-capacity becomes available

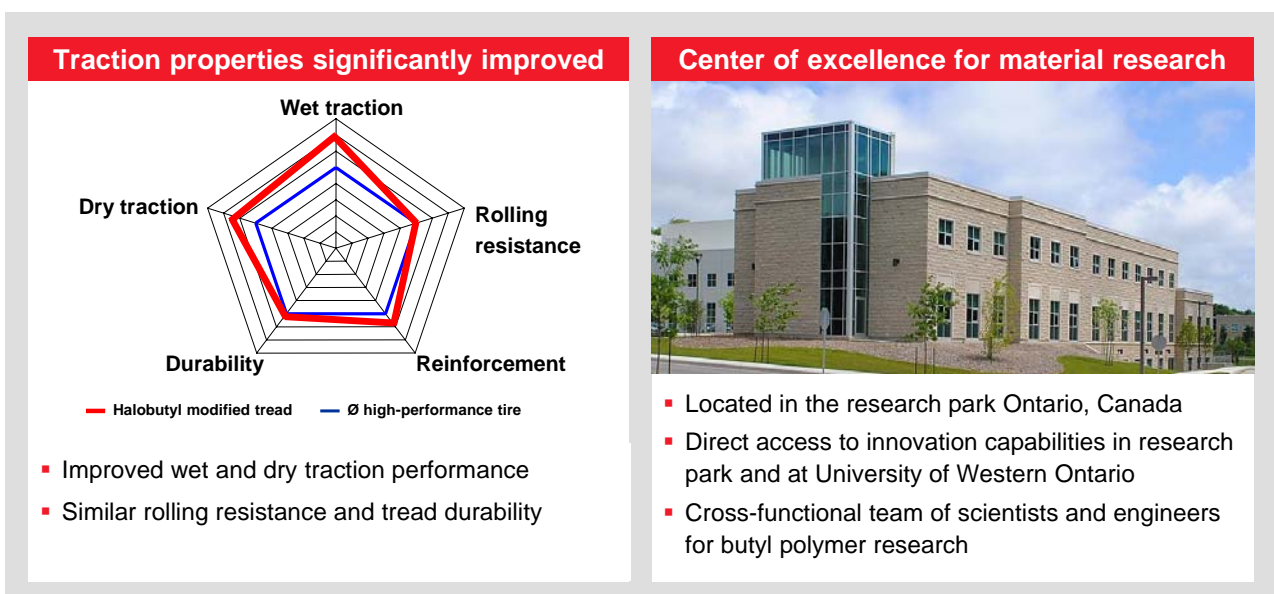


Source: LANXESS market intelligence based CMAI, SRI

16



Butyl rubber in treads – Enhancing the dynamic properties



Source: LANXESS market intelligence

17



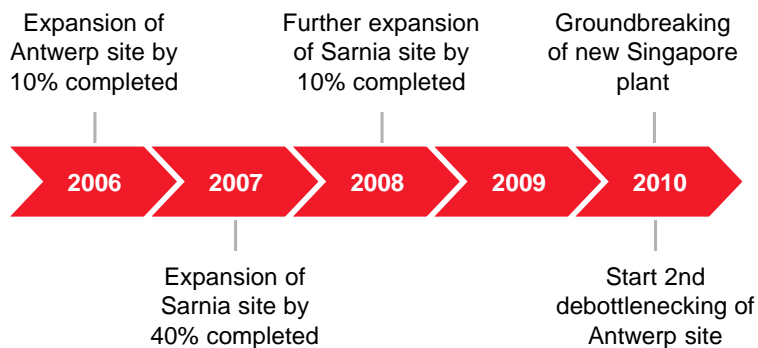
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18

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LANXESS – The only company continuously investing since 2006 in the profitably growing global butyl business

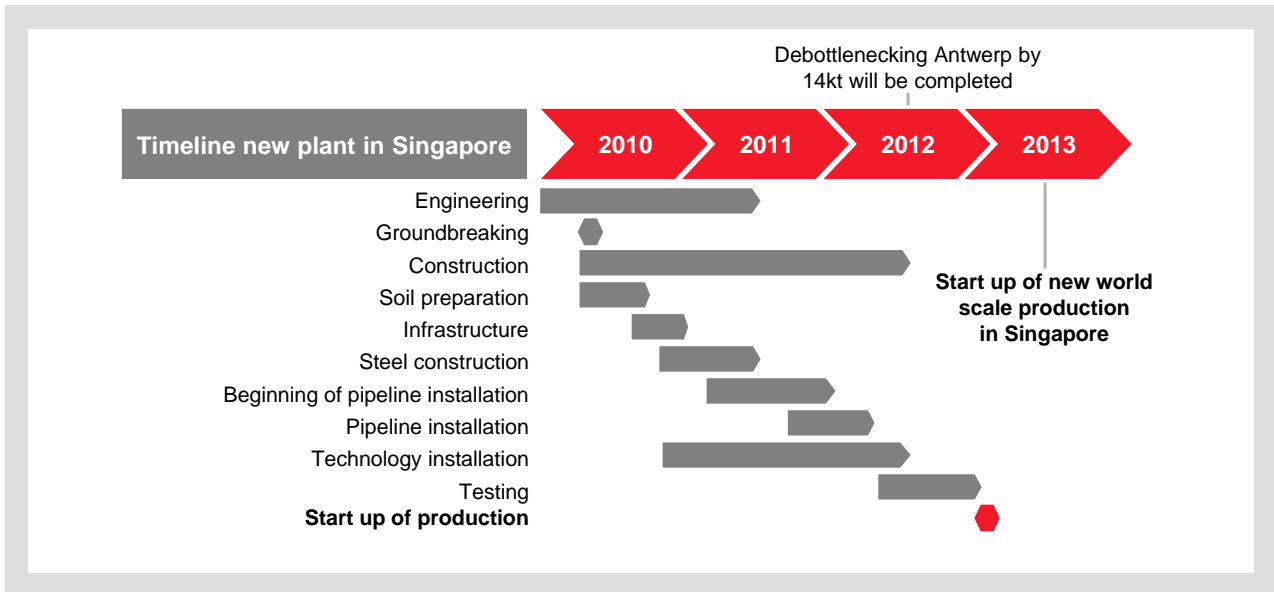


- LANXESS with already three strategic debottlenecking processes since 2006
- All capacity increases essential to meet strong customers' demand
- All new capacities have been absorbed by the market
- LANXESS has been sold out of butyl rubber in the last years
- Even in the crisis, demand for butyl rubber rebounded again as of Q3 2009

19

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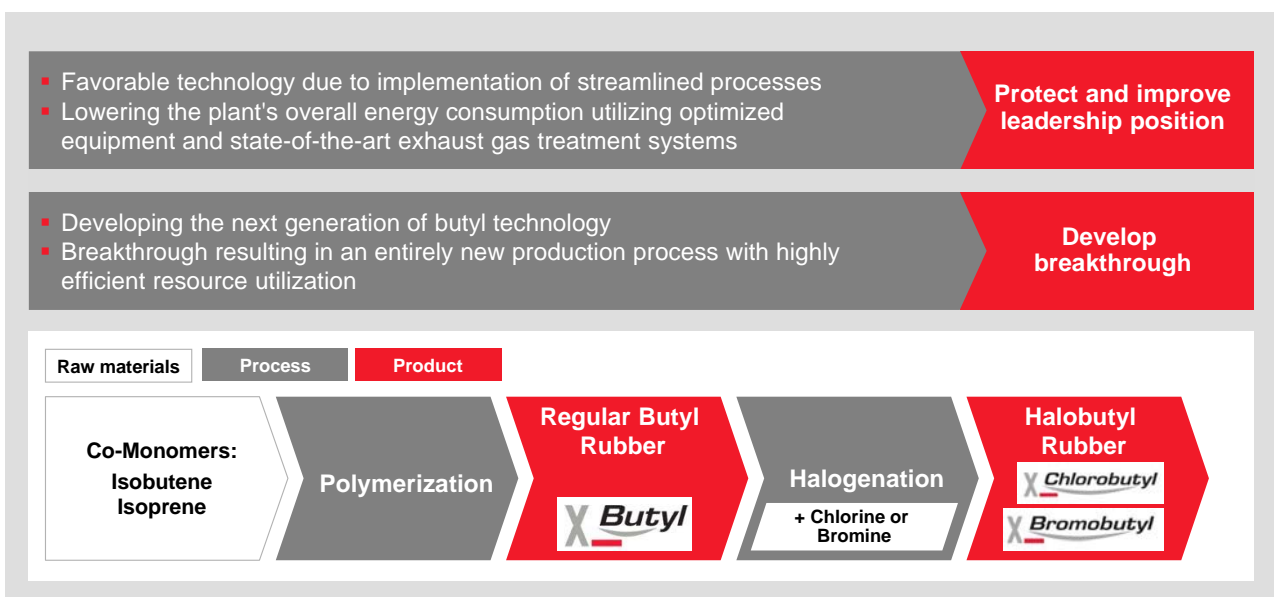
LANXESS €400 m investment in the first new BTR production facility in Asia underpins leading position



20



New plant with best-in-class technology



21



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22

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BU BTR: value creating investments in a premium business

Markets grow – LANXESS prepared to serve ✓

Technical leadership will be strengthened ✓

Largest global butyl investment since 1984 ✓

Investments strengthen segment and total LANXESS profitability ✓



23

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