



Human Resources at LANXESS – Energizing People

Dr. Martin Wienkenhöver
Member of the Board

1st LANXESS Investor Conference
Leverkusen, September 15, 2006



Creative restructuring solutions for the long-term

Ownership and solidarity

Freedom and responsibility

A dedicated team

Clarity and honesty

Germany

- Solidarity pact:
 - A difficult situation quickly resolved
 - Lower personnel costs, shorter working week

La Wantzenau, France

- Significant cost savings through pay cuts and reductions in social benefits ...
- ... combined with investment to support the realignment

USA

- No alternative to consolidation and closure of loss-making and non-viable sites
- Management and employee representatives found solutions together



4 2006-09-14

LANXESS

Employees' investment shows confidence in LANXESS

Ownership and solidarity


Freedom and responsibility

A dedicated team

Clarity and honesty

Stock programs

- Participation well above industry average
- Keen interest in stock program shows:
 - Commitment by management and employees to LANXESS
 - Employees' full support for LANXESS strategy
 - Employees' confidence in LANXESS



5 2006-09-14

LANXESS

New structures give employees more freedom and responsibility

Ownership and solidarity


Freedom and responsibility

A dedicated team

Clarity and honesty

Lean structures and flat hierarchies

- Number of management levels halved to speed up decision-making
- Transparent organizational structures, clearly defined responsibilities for each employee
- Result:
 - Faster decision-making
 - Faster processes
 - Increased flexibility



6 2006-09-14

LANXESS

LANXESS is led by an ambitious team

Ownership and solidarity

Freedom and responsibility

A dedicated team


Clarity and honesty

International top management

- Business unit and group function heads from six countries
- Key positions held by internationally experienced managers

Most country organizations led by local managers

- 10 out of 13 “multi-BU” country heads are local managers



7 2006-09-14

LANXESS

LANXESS enables employees to actively shape their company

Ownership and solidarity

Freedom and responsibility

A dedicated team

Clarity and honesty

LANXESS – an attractive employer

- LANXESS is a dynamic enterprise with:
 - fresh ideas
 - ambitious goals and
 - a rapid pace of development
- Vocational training and continuing education programs enhance employees' personal development

Training at LANXESS

- Over 600 traineeships in technical, scientific and commercial occupations to ensure the future supply of skilled staff at LANXESS



8 2006-09-14

LANXESS

Trainee programs ensure management succession – Focus on China

Ownership and solidarity

Freedom and responsibility

A dedicated team

Clarity and honesty

Growth market of Asia

- 1,000 new employees to be hired in Asia within the next three years – two-thirds of them in China
- Headcount in China increasing by some 30% annually
- Special training program for Chinese potentials to ensure succession to management positions



9 2006-09-14

LANXESS

Our human resources policy is clear and straightforward and allows employees to share in our success

Ownership and solidarity

Freedom and responsibility

A dedicated team

Clarity and honesty

Variable bonus program

- Employees participate in corporate success
- Also linked to personal target achievement
- Clear and straightforward
- Individual
- Easy to administer



10 2006-09-14

LANXESS

Transparency and fair treatment are important for success

Ownership and solidarity

Freedom and responsibility

A dedicated team

Clarity and honesty

Transparent communication of corporate goals

- Employees understand corporate strategy and are committed to it

Partnership and fair treatment

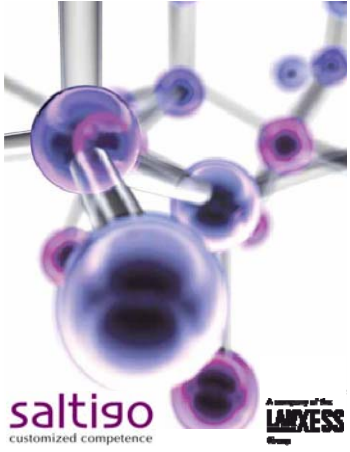
- ... are the keys to finding pragmatic solutions quickly



11 2006-09-14

LANXESS

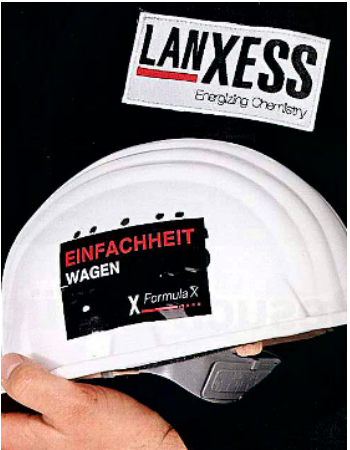
Saltigo – Successful realignment by consensus

Ownership and solidarity	<p>Fine Chemicals becomes Saltigo</p> <ul style="list-style-type: none"> ▪ Unit realigned in the space of a few months ▪ Business placed into legally independent subsidiary of LANXESS ▪ New business model and new identity ▪ 1,400 high-tech jobs ▪ Approx. €400 million annual sales 	
Freedom and responsibility		
A dedicated team		
Clarity and honesty		

12 2006-09-14

LANXESS

Formula X – the new corporate culture at LANXESS

Ownership and solidarity	<p>X Formula X</p> <table border="1"> <tr> <td>Seek solutions - not problems</td> <td>Take ownership</td> </tr> <tr> <td>Keep it simple</td> <td>Think new - act fast</td> </tr> </table>	Seek solutions - not problems	Take ownership	Keep it simple	Think new - act fast	
Seek solutions - not problems		Take ownership				
Keep it simple		Think new - act fast				
Freedom and responsibility						
A dedicated team						
Clarity and honesty						

13 2006-09-14


LANXESS

LANXESS provides a new stimulus to the chemical industry

Ownership and solidarity	▪ Employees support new corporate alignment	✓
Freedom and responsibility	▪ New, goal-oriented corporate structures	✓
A dedicated team	▪ Competent, international management team	✓
Clarity and honesty	▪ Open, transparent corporate culture	✓

14 2006-09-14

LANXESS



HEIM

SPIEL

**The team is in place.
The strategy fits.
And we have the right chemistry.**

LANXESS
Energizing Chemistry



Safe Harbour Statement

This Presentation contains certain forward-looking statements, including assumptions, opinions and views of the Company or cited from third party sources. Various known and unknown risks, uncertainties and other factors could cause the actual results, financial position, development or performance of the company to differ materially from the estimations expressed or implied herein. The company does not guarantee that the assumptions underlying such forward looking statements are free from errors nor do they accept any responsibility for the future accuracy of the opinions expressed in this Presentation or the actual occurrence of the forecasted developments.

No representation or warranty (express or implied) is made as to, and no reliance should be placed on, any information, including projections, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and, accordingly, none of the Company or any of its parent or subsidiary undertakings or any of such person's officers, directors or employees accepts any liability whatsoever arising directly or indirectly from the use of this document.