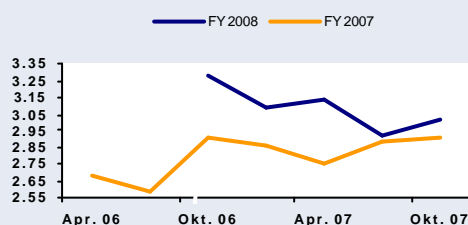


Date: 11/07/2007

Consensus Rating*: +0.82 (Acc.)

Previous rating	+0.82 (Acc.)
Stock price (in €)	30.50
High/Low (52 weeks)	43.50/30.50
Market cap (in €m)	2,792.5
ISIN	DE0005470405
Reuters	LXSG.DE
Bloomberg	LNXSF
Exchange	XETRA
Sector	Chemicals
Internet	www.lanxess.com
Coverage	18

Clean EPS Estimates in Euro

Change in Estimates yoy

	Q3 07E	Q3 06A	Change
Sales	1,685	1,691	-0.3%
EBITDA clean	169.7	164.0	3.5%
EBITDA	159.5	148.0	7.7%
EPS clean	0.64	0.54	18.1%
EPS	0.65	0.43	51.1%

** Please note that the current 2007 consensus on sales and EBITDA clean anticipates the announced move of the business unit Lustran Polymers into a global joint venture with INEOS.

*** Consensus Rating (CR):**
Classification:

Buy: 1.50 = CR < 2.00
 Accumulate: 0.50 = CR < 1.50
 Hold: -0.50 < CR < 0.50
 Reduce: -1.50 = CR < -0.50
 Sell: -2.00 = CR < -1.50

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Lanxess

Summary

Outlook given by the company after Q2 results:

The LANXESS Group will systematically continue its transformation process. The further earnings improvement in the second quarter and first half of 2007 over the already healthy prior-year periods is gratifying and provides a good basis for meeting LANXESS's targets. The decision to divest the low-margin Lustran Polymers business unit should help LANXESS to further expand its EBITDA margin pre exceptionals. Against this background the company now expects EBITDA pre exceptionals to increase from the 2006 figure of € 675 million to between € 700 million and € 720 million for the full year 2007.

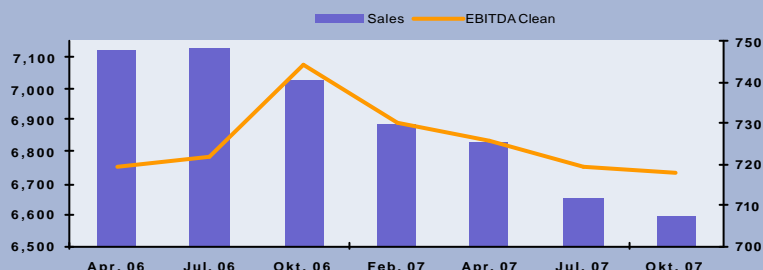
In the light of LANXESS's systematic investment and growth strategy, capital expenditures in the current year are planned to exceed € 300 million, which is significantly above the prior-year level of € 267 million.

Price Targets in Euro

	Current	Previous	Change	Up-/Downside
Current price	30.50			
Highest	57.00	52.50	8.6%	86.9%
Consensus	43.07	44.40	-3.0%	41.2%
Median	42.00	44.00	-4.5%	37.7%
Lowest	35.00	35.00	0.0%	14.8%

Consensus Valuation

	EPS Clean	EBITDA Clean	P/E	EV/Sales	EV/EBITDA	EV/EBIT
2004	0.63	447	n.a.	n.a.	n.a.	n.a.
2005	1.34	581	16.13	0.33	4.09	7.16
2006	2.36	675	14.01	0.47	4.88	7.83
2007e	2.90	718	10.52	0.46	4.22	6.50
2008e	3.02	728	10.11	0.50	4.16	6.37

FY 2007 Consensus Estimates (in Euro m) **

Quarterly Development (in Euro m)
