

"We will focus on smaller objects"

(Finanz und Wirtschaft, Switzerland, October 7, 2009)

In an interview with the Swiss weekly "Finanz und Wirtschaft", Dr. Axel C. Heitman, chairman of the board of management of LANXESS AG, talks about his company's strategy in the face of the economic crisis, the situation on the chemical market and the shift of the global balance of power. The German group has so far taken diverse cost-cutting and efficiency measures to counter the enormous drop in the demand by between 30 and 50% year-on-year, which inaugurated the crisis in the company. What was worst: The drop for the first time was registered throughout the world. LANXESS bucked the problems by avoiding overproduction and lowering the fixed costs. In future, it will be indispensable to hand down the volatility of raw-material and commodity prices to the markets, to avert a dangerous erosion of margins. However, the principle "Price comes before volume" has hitherto worked quite well for the group. Mr. Heitmann expects the lagging demand to continue for a while, but he is optimistic that the emerging markets will quickly return to earlier growth rates.