



FUTURE ENERGIZED BY

LANXESS
Energizing Chemistry

LANXESS Fact Book – 5th Edition

SAFE HARBOR STATEMENT

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November 2014

Dear Investors and Analysts,

At LANXESS, we believe in the critical importance of providing the financial community with all the information needed to make a proper assessment of our group's activities. This publication was developed in keeping with this belief, and we feel it portrays a company taking all appropriate measures to capitalize on its existing strengths and reinvigorate its financial standing.

We are currently engaged in a three-phase program of change in response to significant shifts that have affected several key markets – most notably, relating to our synthetic rubber business. Phase one entails addressing the cost structure of LANXESS' administrative, marketing and sales functions, as well as research and development. This process has begun with the consolidation of several business units and administrative functions, and it is expected to produce a range of efficiency gains, amounting to annual savings of roughly €150 million that will be phased in from 2015 through 2016.

Changes to our management team have enabled us to rapidly and effectively adapt to our sector's evolving landscape, and avenues for new growth are being explored even as we redesign our business structure and fiscal strategy. In phases two and three of our realignment, we will respond to imbalances in supply and demand by addressing capacity-related challenges; we will assess potential new alliances; and we will take steps to reduce production costs by pursuing new process efficiencies.

Once the first phase of our transition has been completed, we expect that LANXESS will once again generate free cash flow and return to the vigorous fiscal health of which we know it is capable. Our company retains a solid position in the chemical industry, and we continue to enjoy growth through a diversified portfolio of technologically sophisticated products. Still more importantly, we are taking decisive action to improve our cash flow profile.

What will not change is LANXESS' clear focus on offering technology-driven products in such vital segments as polymers, intermediates and performance chemicals. We will continue to produce and sell a broad portfolio of important industrial compounds in major markets across the globe. And we will continue to work closely with our investors and the financial markets at large to ensure that LANXESS remains a leading player in the specialty chemicals sector.

Cooperation with the financial community is central to the mission and long-term success of our company. We are fully committed to maintaining this dynamic relationship.

Sincerely,



Matthias Zachert

Chairman of the Board of Management

INVESTMENT HIGHLIGHTS

LANXESS is one of the world's leading chemical companies, marked by its strong focus on cash generation.

STRONG FOUNDATIONS

With its global presence, its leading positions in synthetic rubber businesses, its diversified portfolio of technology-driven products, and its engagement in markets that benefit from sustainable growth trends, LANXESS remains a strong competitor in the chemical sector with significant upside potential.

STREAMLINED ORGANIZATIONS

The company's ambitious realignment and efficiency program will enable a leaner LANXESS to restore its competitive cost structure and better leverage its excellent market positions and products.

FOCUS ON CASH GENERATION

When the company's heavy capex investment cycle draws to a close after 2015, its ability to generate free cash flow and, as a result, to seek fresh opportunities for enhancing shareholder value, will be significantly strengthened.

DIVIDEND STRATEGY

After the realignment program is fully implemented and cash generation improves, LANXESS projects that increased dividend payments will be made in step with increased earnings.

**LANXESS –
Energizing Chemistry**

Agenda

1. LANXESS – Energizing Chemistry




- Overview
- Strategy
- Corporate Responsibility

2. Business Segments

3. Financials

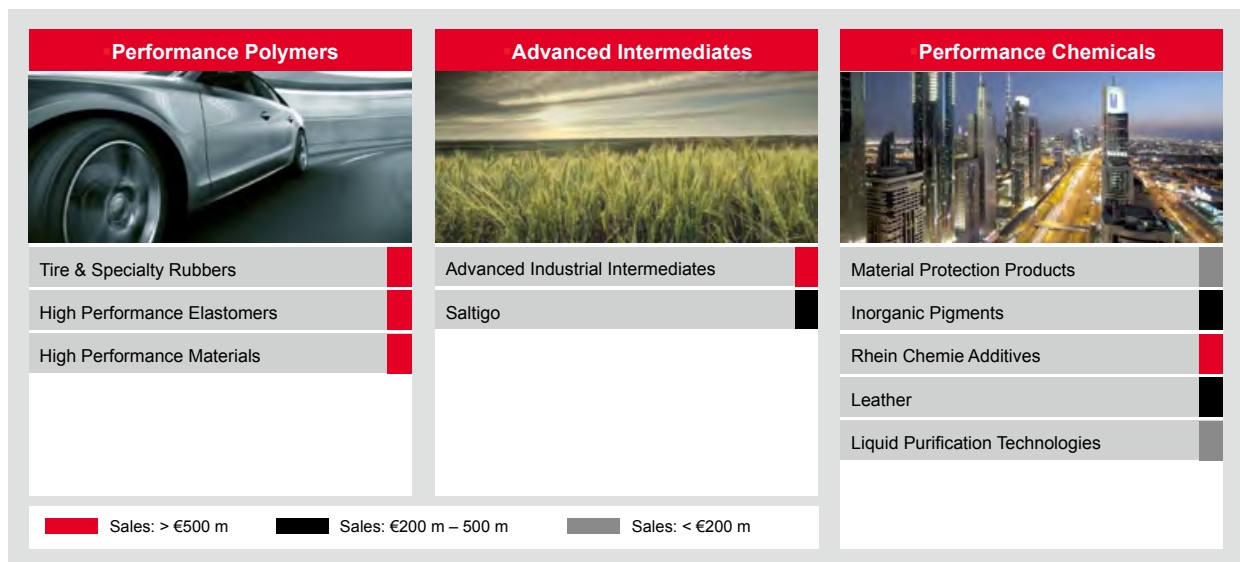
LANXESS Fact Book – Overview

LANXESS – A leading specialty chemicals company based on three powerful segments

LANXESS – Energizing Chemistry		
Performance Polymers	Advanced Intermediates	Performance Chemicals
		
Globally No. 1-3	Europe No. 1-2	No. 1-4 in niches
<ul style="list-style-type: none"> ▪ A global technology leader in synthetic rubber and polyamide ▪ Supporting trends: <ul style="list-style-type: none"> - Mobility, growing population in Asia - High performance tires - Vehicle weight reduction - Tire labeling, replacement potential 	<ul style="list-style-type: none"> ▪ A leading supplier of custom synthesis and basic chemicals (agrochem-related) ▪ Supporting trends: <ul style="list-style-type: none"> - Increasing crop demand based on growing world population - Need of farmers to raise yields - Industry consolidation 	<ul style="list-style-type: none"> ▪ Application-oriented specialties ▪ Strong brands and a technology leader ▪ Supporting trends: <ul style="list-style-type: none"> - Urbanization - Rising middle class in APAC - Scarcity of purified water - Ongoing market consolidation
Increasing competitiveness across the portfolio		

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Business structure competitiveness: New business set-up creates more efficient and effective market approach



Reporting and management structure as of January 1, 2015

LANXESS Fact Book – Overview

LANXESS Board of Management: Directly connected to all Group Functions and Business Units



* Interim
 Reporting and management structure as of January 1, 2015

LANXESS Fact Book – Overview

2003-2007: Spin-off, restructuring and portfolio transformation

Spin-off and listing

- Decision to realign the Bayer Group in 2003 leads to spin-off of LANXESS in January 2005
- Initial listing on the Frankfurt Stock Exchange on 2005-01-31
- Admission to MDAX in June 2005
- Ratings upgraded by Moody's to Baa2 and S&P to BBB in 2007
- LANXESS signs seven year 1.4bn credit facility in November 2007

2003 – 2007

Restructuring and portfolio transformation

- Divestment of Paper, Fibers and Textile Business Units in 2006
- Carve-out of custom manufacturing business to form Saltigo in March 2006
- Acquisition of CISA, South Africa, in December 2006
- Lustran Polymers JV with INEOS announced in June 2007
- Acquisition of Petroflex, Brazil, in December 2007



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2008-2012: Focus on growth after crisis management

Successful crisis management

- Challenge 09 / Challenge 09-12 crisis management programs initiated and successfully concluded

Investments in global production network

- Groundbreaking ceremony of butyl rubber plant in Singapore in May 2010
- Inauguration of new chemical plant for water technology in Bitterfeld, Germany, in September 2011
- Announcement of new Nd-PBR plant in Singapore in June 2011, and new EPDM plant in Changzhou, China, in September 2012

2008 – 2012

External growth

- Acquisition of: Jinzhao, China (June 2008), Gwalior, India, and Jiangsu Polyols, China (2009), DSM Elastomers, Netherlands (December 2010), Darmex, Argentina, and Syngenta's material protection business, Switzerland (2011), US-based Verichem and UNITEX (2011), TCB, USA, and Bond Laminate, Germany (2012)
- Rubber joint venture with Taiwan's TSRC in May 2010

Success rewarded

- LANXESS added to Dow Jones Sustainability Index in September 2011
- Admission to DAX in September 2012



LANXESS Fact Book – Overview

2013-2015: Taking action with LANXESS realignment after challenging year 2013

<p>Challenging year 2013</p> <ul style="list-style-type: none"> Results held back by lower earnings due to weaker demand and increasing competition, especially in the synthetic rubber business 	<p>Realignment of LANXESS</p> <ul style="list-style-type: none"> Matthias Zachert takes over as new CEO on 2014-04-01 Three-phase program "Let's LANXESS again" initiated Immediate actions taken: Number of business units reduced from 14 to 10, administrative functions consolidated
2013 – 2015	
<p>Growth projects concluded</p> <ul style="list-style-type: none"> Acquisition of Asian biocide specialist PCTS (April 2013) Announcement of iron oxide facility in Ningbo, China (July 2013) Inauguration of new bladders facility in Porto Feliz, Brazil, and butyl rubber plant in Singapore (2013), new plastics plants in Porto Feliz, Brazil, and Antwerp, Belgium (2014) 	<ul style="list-style-type: none"> Phase 1: Business & administration structure competitiveness; restructuring to regain cost competitiveness Phase 2: (details 2015) Operations competitiveness; addressing capacity challenges Phase 3: (details 2015) Portfolio competitiveness and evaluation of alliances
	

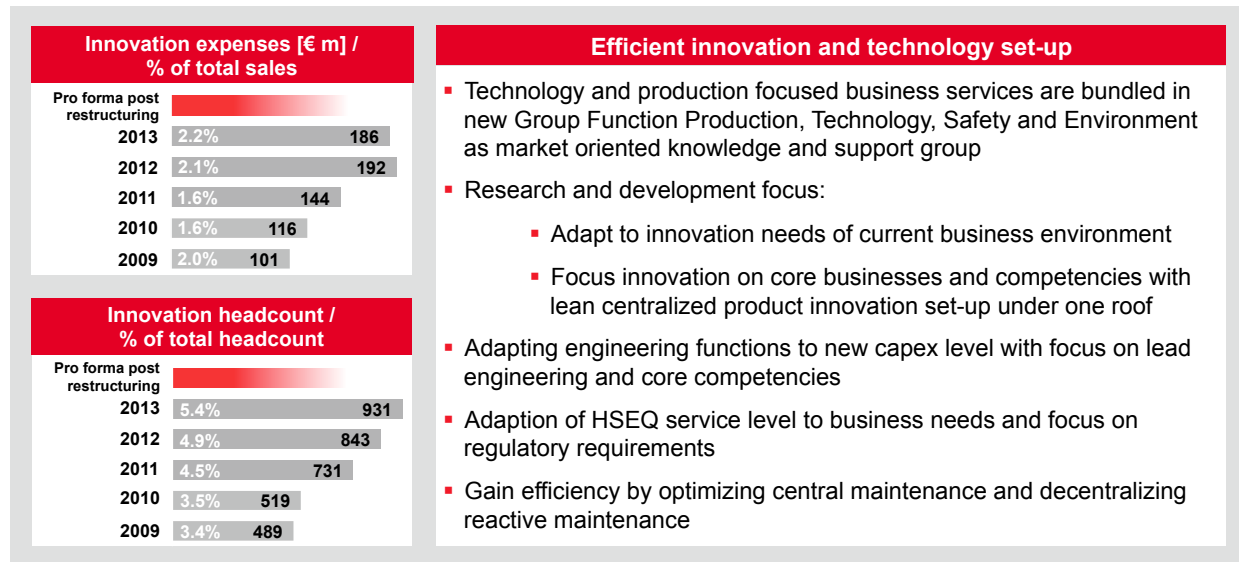
LANXESS Fact Book – Overview

Innovative and consistent HR practice is key advantage for good positioning, cost effectiveness and sustainable growth

Leadership & qualification	Demographic management	Employee / labor relation	Compensation
<ul style="list-style-type: none"> Global leadership concept emphasizes on behavioral change Extensive investment in qualification, special focus on global sales force 	<ul style="list-style-type: none"> Comprehensive demography programs to enhance productivity Workforce planning aligned with demographic data and succession plan 	<ul style="list-style-type: none"> Staff attrition rate in volatile BRIC countries below sector average Reliable and stable labor relations in countries with strong union traditions 	<ul style="list-style-type: none"> Merit-based and flexible compensation schemes Employee stock plan in Germany with over 70% participation over years
			
Simplicity, speed and a company culture based on trust			

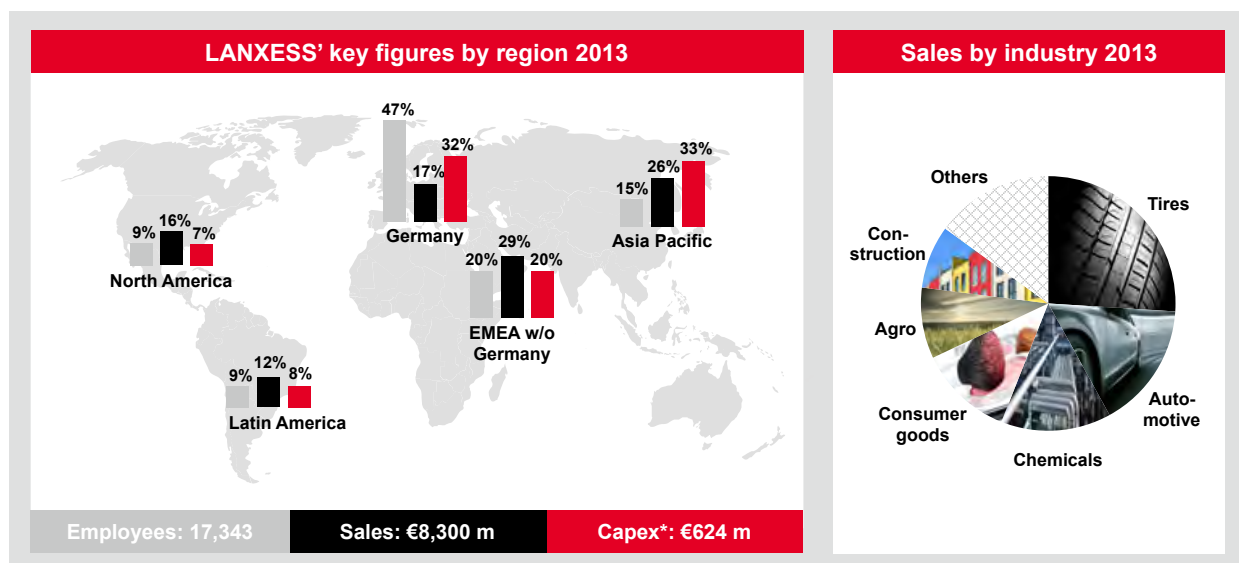
LANXESS Fact Book – Overview

Innovation at LANXESS: Group function PTSE is supporting all production-related services with a lean and effective set-up



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Worldwide presence serving a broad range of customers



* Net of financial lease, projects financed by customers and capitalized borrowing costs

LANXESS Fact Book – Overview

Evolving financials since 2005

[€ m]	2005	2006	2007	2008	2009	2010	2011	2012	2013	H1 2014
EBITDA pre	581	675	719	722	465	918	1,146	1,223**	735	444
Net financial debt	680	511	460	864	794	913	1,515	1,483	1,731	1,495
Net financial debt / EBITDA pre	1.2x	0.8x	0.6x	1.2x	1.7x	1.0x	1.3x	1.2x	2.4x	1.9x
Gearing [%]	54	36	30	65	55	52	73	64	91	64
Underlying EPS*	1.19	2.69	3.36	3.44	1.31	4.81	6.55	6.44	1.37	1.32
Dividend [€]		0.25	1.00	0.50	0.50	0.70	0.85	1.00	0.50	

LANXESS' key financials

* EPS pre exceptionals, based on actual tax rate; ** 2012 restated due to IAS 19 (revised); all references to net financial debt = current and non-current financial liabilities, less cash, cash equivalents and near-cash assets; Note: Additional financial information available at: <http://lanxess.com/en/corporate/investor-relations/financials/>

LANXESS Fact Book – Overview

Agenda

1. LANXESS – Energizing Chemistry


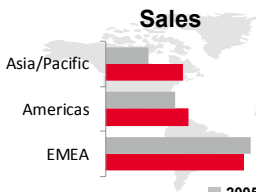
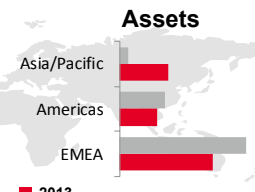




- Overview
- **Strategy**
- Corporate Responsibility

2. Business Segments

3. Financials

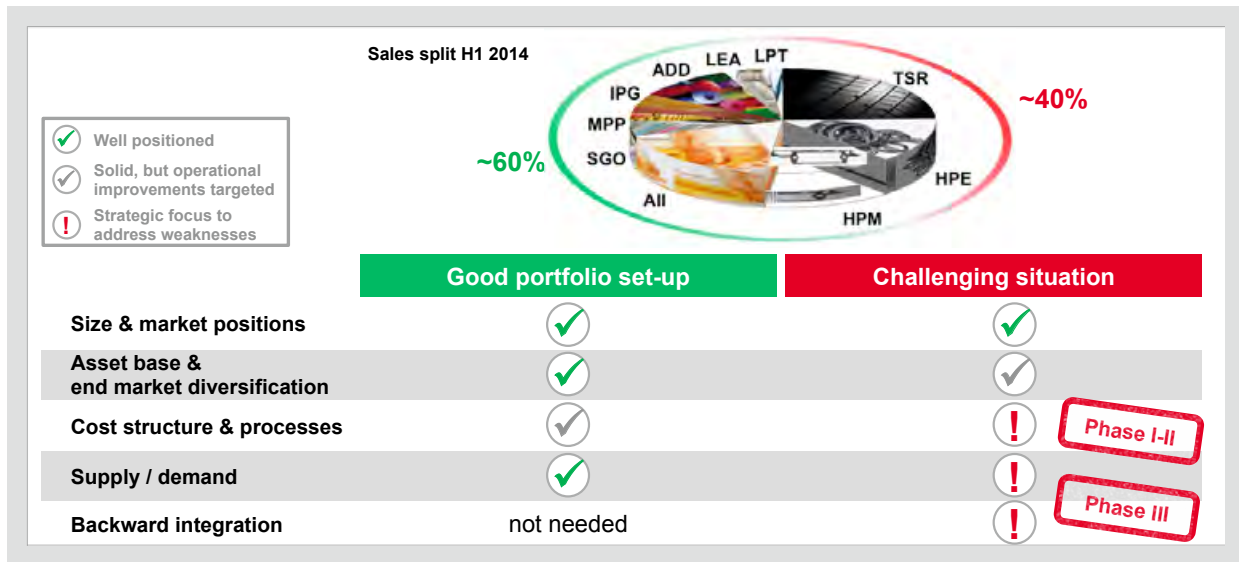
LANXESS Fact Book – Strategy

LANXESS – a strong and successful history

<p>From a “NewCo” to a chemical brand</p> <ul style="list-style-type: none"> Transformation from an “unwanted child” into an established chemical player Successful development rewarded and reflected externally (first share price @ 15.75€) 	<p>Increasing global footprint</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Sales</p>  </div> <div style="text-align: center;"> <p>Assets</p>  </div> </div> <p>Legend: 2005 (grey), 2013 (red)</p>
<p>Strong business leaderships</p> <ul style="list-style-type: none"> Quality, technology and process leadership in many products across the company Strong market positions (#1-4 in most business units) 	<p>Good financial strength for most of the years</p> <ul style="list-style-type: none"> Investment grade rating since spin-off Strong maturity profile with long-term financing <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  BBB- stab. outlook </div> <div style="text-align: center;">  Baa3 stab. outlook </div> <div style="text-align: center;">  BBB- stab. outlook </div> </div>

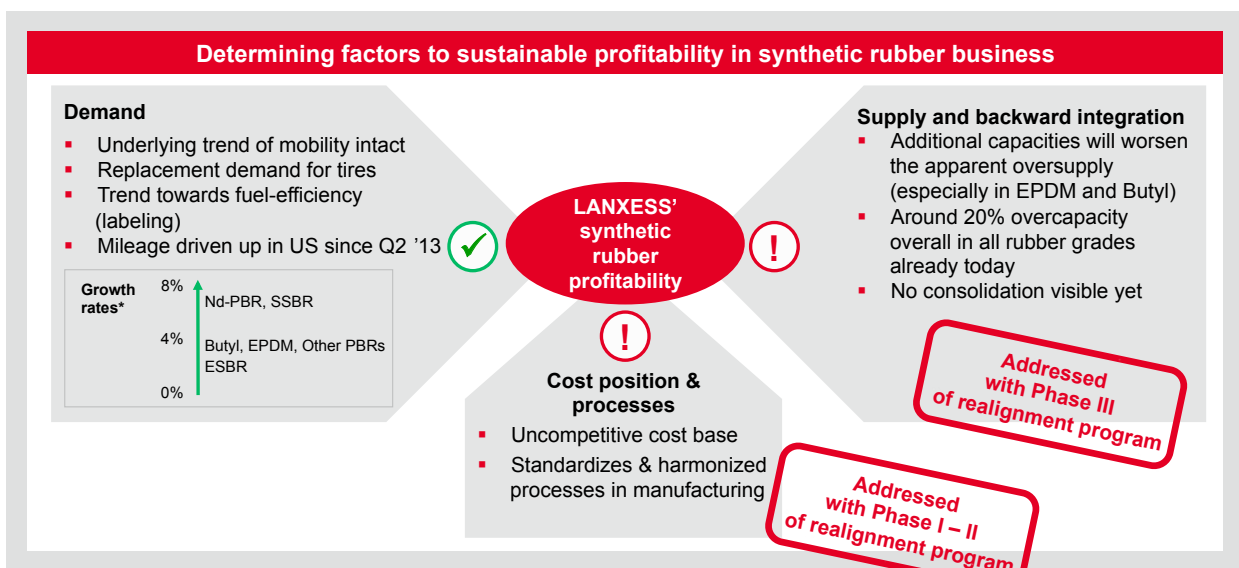
LANXESS Fact Book – Strategy

~60% of LANXESS portfolio well positioned
~40% in challenging situation – action needed



LANXESS Fact Book – Strategy

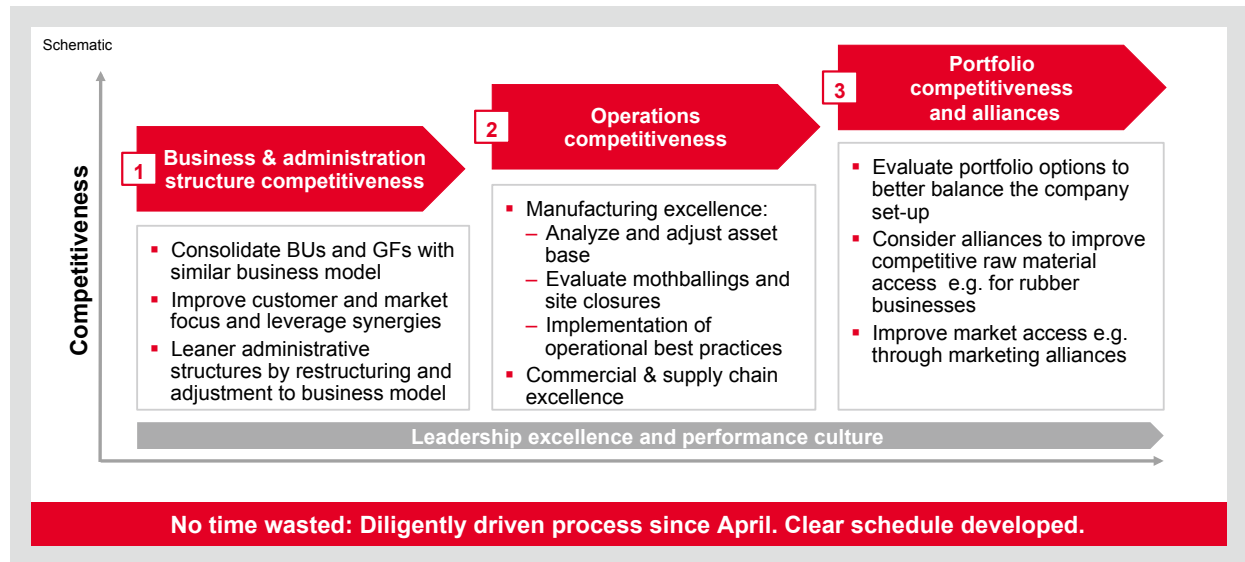
Absolute priority for solutions to cost position and critical supply in synthetic rubbers



* CAGR 2014-2019; LANXESS estimates based on IHS Chemicals 2014

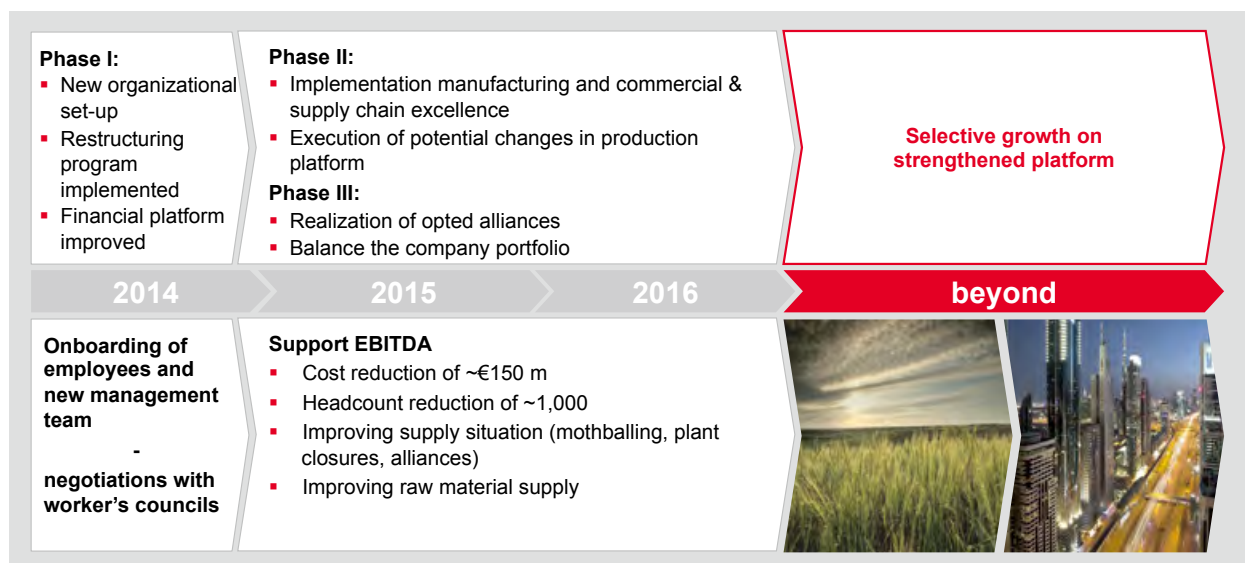
LANXESS Fact Book – Strategy

“Let’s LANXESS again” – A 3-phase realignment program has been defined



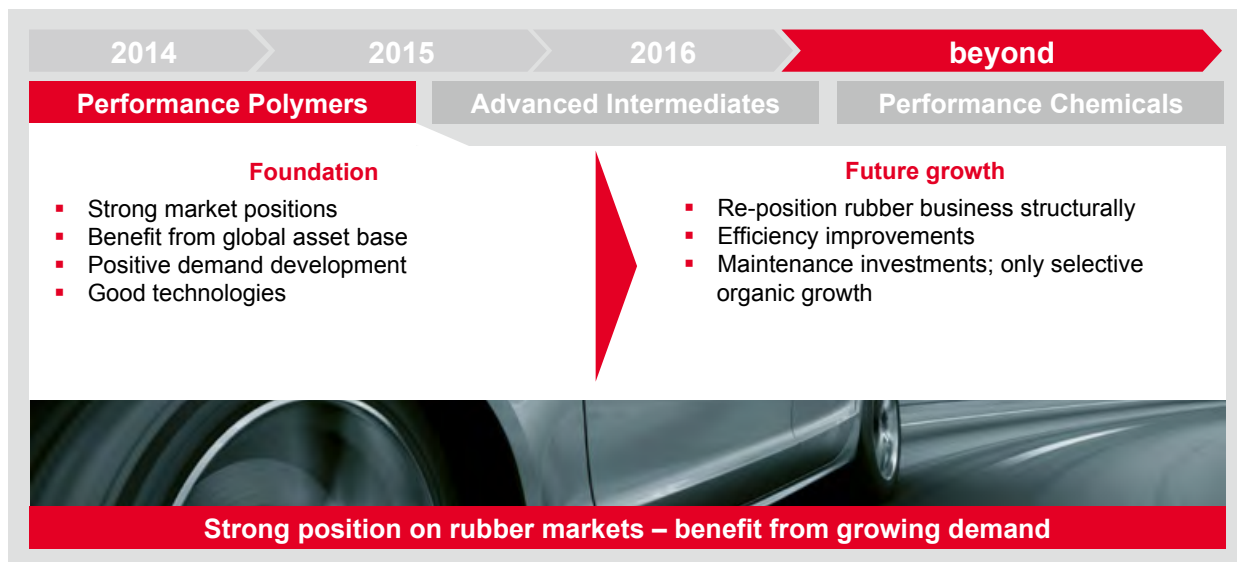
LANXESS Fact Book – Strategy

The strategic path: Targeting selective growth after the realignment process



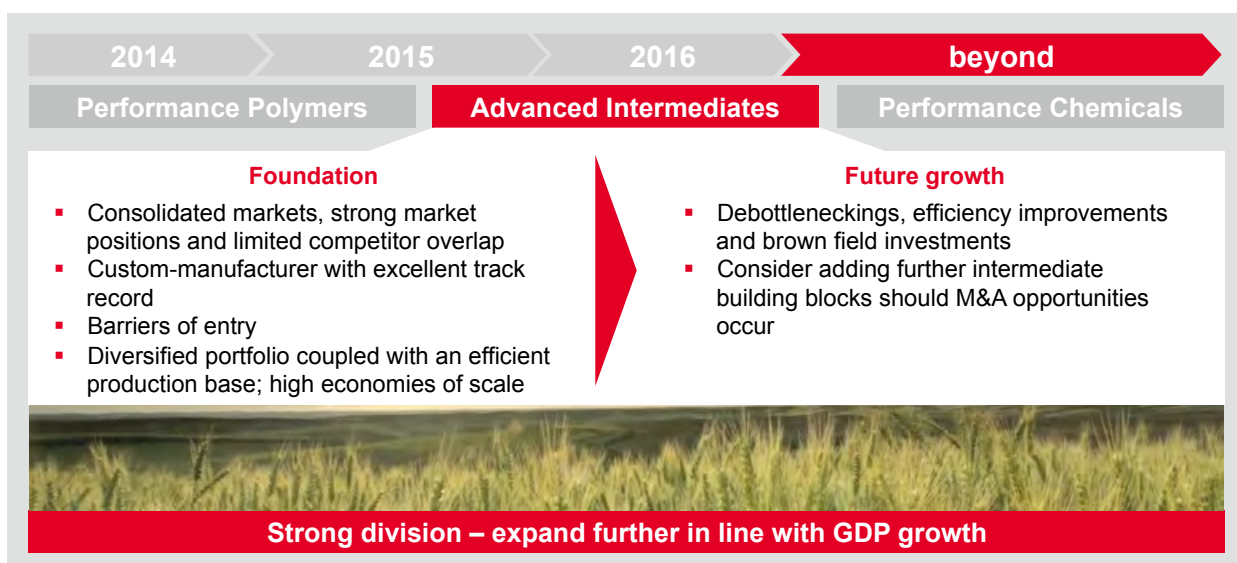
LANXESS Fact Book – Strategy

Time to harvest former investments in Performance Polymers



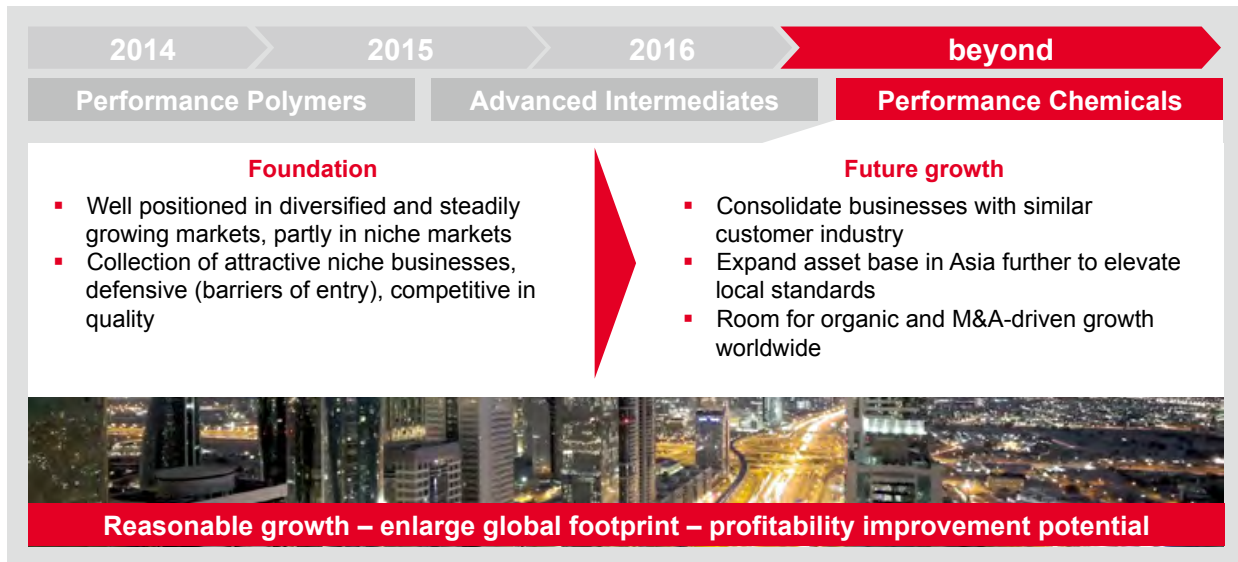
LANXESS Fact Book – Strategy

Future focus on growth of attractive Advanced Intermediates' markets



LANXESS Fact Book – Strategy

Future focus on growth also in diversified Performance Chemicals' markets



LANXESS Fact Book – Strategy

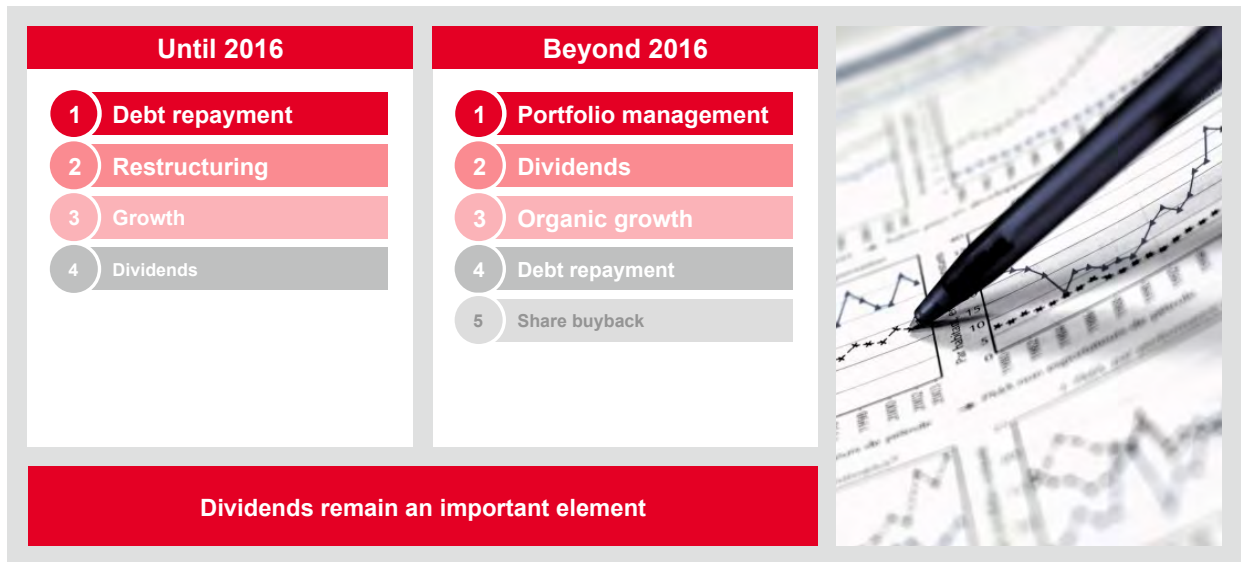
Clear targets for efficiency and excellence



Definition total net debt: financial debt – cash + pensions + operating leases

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Shifting gears towards growth beyond 2016 – New capital allocation priorities



LANXESS Fact Book – Strategy

Value generation in focus again



LANXESS Fact Book – Strategy

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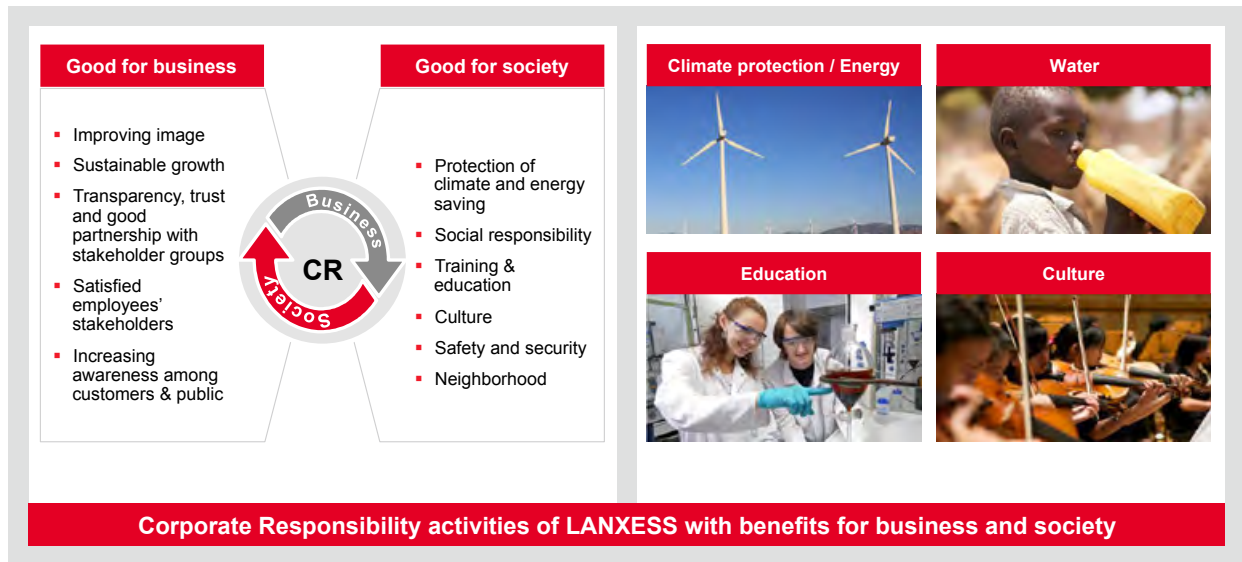
LANXESS Fact Book – Corporate Responsibility

Corporate Responsibility at LANXESS



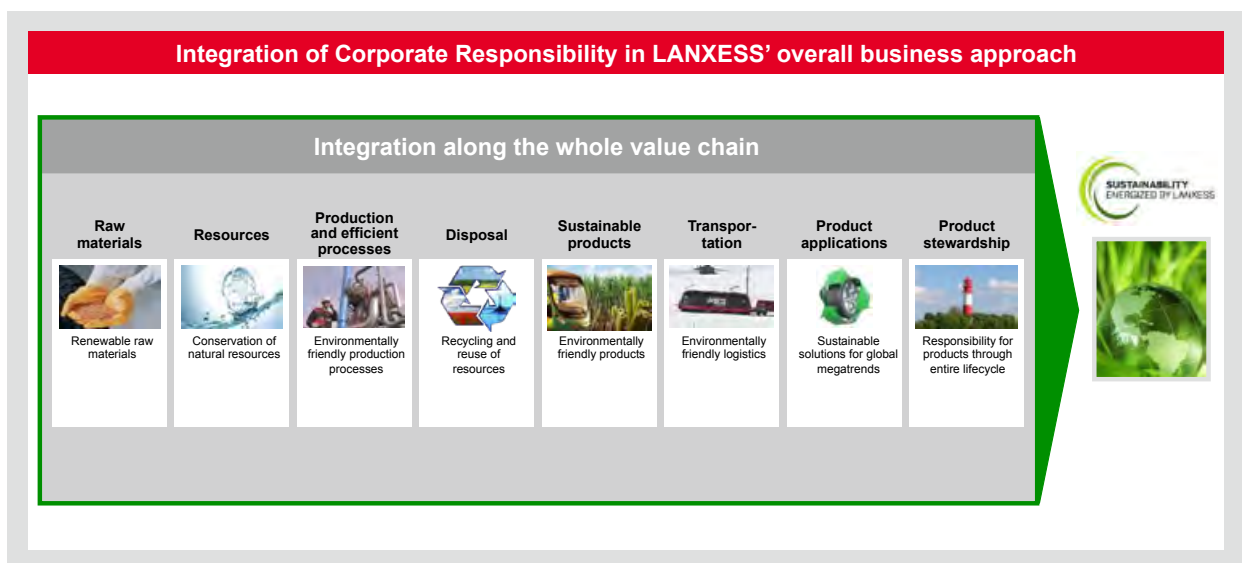
LANXESS Fact Book – Corporate Responsibility

LANXESS' Corporate Responsibility activities – good for business, good for society



LANXESS Fact Book – Corporate Responsibility

Clear commitment to Corporate Responsibility for sustainable growth



LANXESS Fact Book – Corporate Responsibility

Corporate Responsibility well integrated - achieving goals sustainably

Climate / Environmental goals	Procurement initiatives
<ul style="list-style-type: none"> Reduction of specific CO2 emission by 10%* until 2015 Reduction of specific energy consumptions by 10%* until 2015 Reduction of volatile organic compounds (VOC) emissions by 30%* until 2015 	<ul style="list-style-type: none"> 'Supplier Code of Conduct' for supplier selection and rating 'Together for Sustainability' initiative for higher transparency in the supply chain (implementation of a global auditing program)
Safety goals	Social initiatives and goals
<ul style="list-style-type: none"> Xact: Global safety program to improve occupational, process and plant safety (since 2011) Global management system for optimization of transportation of (dangerous) goods 	<ul style="list-style-type: none"> Global board initiative 'Diversity & Inclusion': raising the proportion of women in management to 20% by 2020 Leverage water know-how: support of AMREF Education initiatives with local and global commitment

* Base year: 2010

LANXESS Fact Book – Corporate Responsibility

Supply chain sustainability: LANXESS is founding member of the 'Together for Sustainability' initiative (TfS)

Together for Sustainability: "An audit for one is an audit for all"	More sustainability...
<ul style="list-style-type: none"> Together for Sustainability founded by multinational chemical companies* in 2012 <ul style="list-style-type: none"> Monitoring compliance with 'Supplier Code of Conduct' Enhance supply chain transparency Minimize procurement risks Support principles UN Global Compact and Responsible Care TfS aims at developing and implementing a global supplier engagement program that assesses and improves sustainability sourcing practices within the supply chains of the chemical industry TfS focus on human rights, child labor, working standards, occupational safety, environmental protection and business integrity Until end of 2014 more than 2000 sustainability assessments and 350 audits carried out by the growing initiative 	
TfS initiative – using resources more efficiently	... in the chemical supply chain

* Members: BASF, Bayer, Clariant, Evonik, Henkel, LANXESS, Akzo Nobel and Solvay

LANXESS Fact Book – Corporate Responsibility

“Green Mobility”: LANXESS applications enable green solutions in important product areas



LANXESS Fact Book – Corporate Responsibility

Business Segments – Performance Polymers

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1. LANXESS – Energizing Chemistry

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- Performance Polymers
- Advanced Intermediates
- Performance Chemicals

3. Financials

LANXESS Fact Book – Performance Polymers

Performance Polymers: Global and diversified producer of high quality synthetic rubbers and engineering plastics

Tire & Specialty Rubbers



- A leading manufacturer of high quality synthetic rubbers which are primarily used in inner liners, treads and sidewalls of modern, fuel-efficient tires as well as non-tire applications

High Performance Elastomers



- A leading global supplier of synthetic rubbers for a wide range of technical applications (e.g. seals, hoses, profiles, cable sheathing, special films and adhesives)

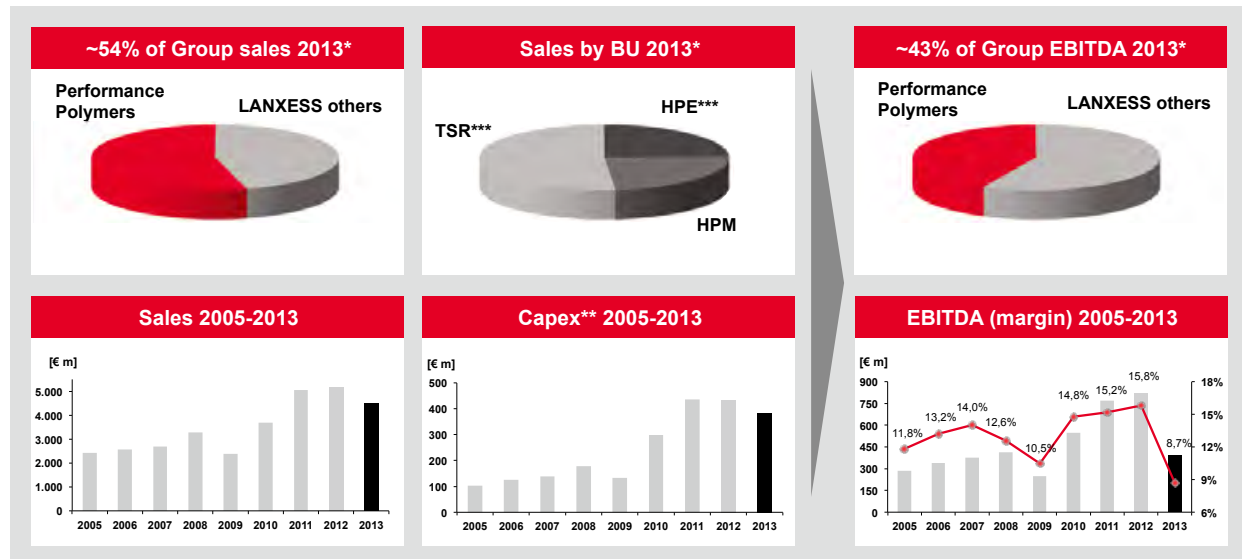
High Performance Materials



- One of the leading providers of a wide range of engineering plastic compounds for the automotive, electrical & electronic and other industries, benefiting from the trend of replacing metal in structural automotive parts

LANXESS Fact Book – Performance Polymers

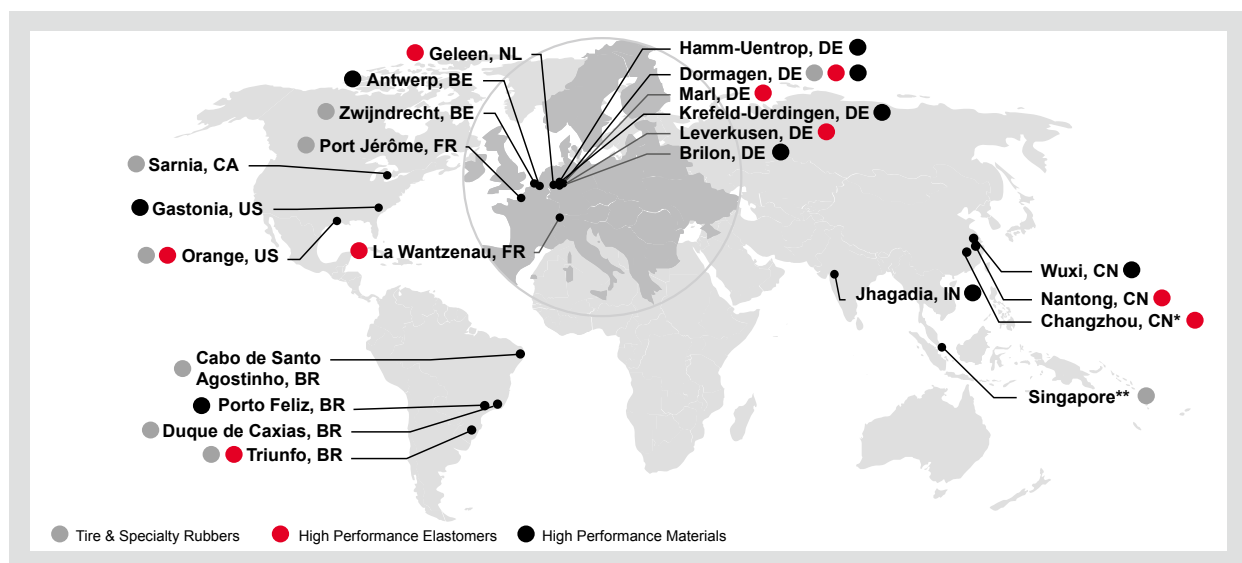
Performance Polymers: Global and diversified producer of high quality synthetic rubbers and engineering plastics



All references to EBITDA are pre exceptional; * Operating segments; BU split pro forma; ** Net of capitalized borrowing cost, projects financed by customers and finance lease; *** As of January 1, 2015 BU PBR and BU BTR will be combined to form BU TSR; BU HPE and BU KEL will be combined under the name HPE

LANXESS Fact Book – Performance Polymers

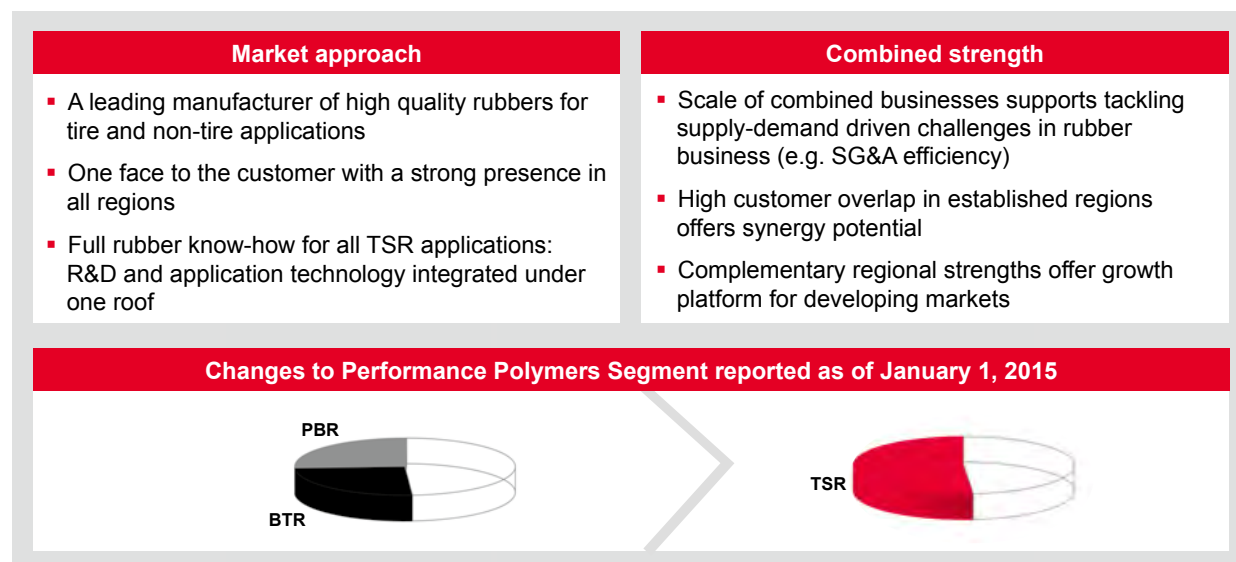
Serving international markets with a truly global manufacturing base



* New EPDM plant to come on stream in 2015; ** New Nd-PBR plant to come on stream in H1 2015

LANXESS Fact Book – Performance Polymers

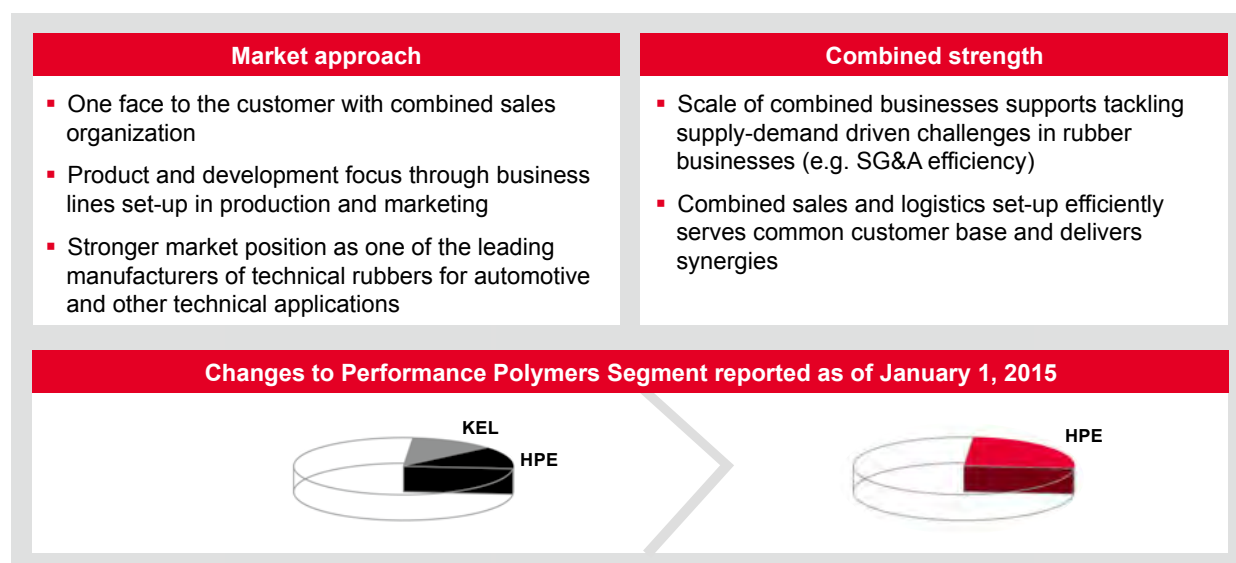
BU Tire & Specialty Rubbers combines related units into a leading supplier of synthetic rubbers for tires and non-tires



Sales split based on FY 2013

LANXESS Fact Book – Performance Polymers

BU High Performance Elastomers combines full technical rubber portfolio



Sales split based on FY 2013

LANXESS Fact Book – Performance Polymers

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 - Tire & Specialty Rubbers
 - High Performance Elastomers
 - High Performance Materials
 - Advanced Intermediates
 - Performance Chemicals
3. Financials

LANXESS Fact Book – Performance Polymers: Tire & Specialty Rubbers

BU Tire & Specialty Rubbers – a leading supplier of high quality synthetic rubber for tire and non-tire applications

Overview																	
<p>Key facts</p> <ul style="list-style-type: none"> ▪ A leading manufacturer of high performance rubbers, with broad portfolio of high quality rubbers for tire and specialty applications: <ul style="list-style-type: none"> - Butyl rubber (halogenated and regular) - Polybutadiene rubber (Nd- / Co- / Li-PBR) - Styrene butadiene rubber (SSBR / ESBR) <p>Production sites</p> <ul style="list-style-type: none"> ▪ Belgium: Zwijndrecht ▪ Brazil: Cabo, Duque de Caxias, Triunfo ▪ Canada: Sarnia ▪ France: Port Jérôme ▪ Germany: Dormagen ▪ Singapore ▪ USA: Orange, TX 	<p>Sales by end use 2013</p> <table border="1"> <tr> <td>Tire</td> <td>76%</td> </tr> <tr> <td>Consumer & Pharma</td> <td>6%</td> </tr> <tr> <td>Plastics</td> <td>5%</td> </tr> <tr> <td>Others*</td> <td>13%</td> </tr> </table> <p>* Others includes other industrial goods applications</p> <p>Market demand 2014e</p> <table border="1"> <tr> <td>Asia-Pacific</td> <td>54%</td> </tr> <tr> <td>EMEA</td> <td>26%</td> </tr> <tr> <td>North America</td> <td>14%</td> </tr> <tr> <td>Latin America</td> <td>6%</td> </tr> </table>	Tire	76%	Consumer & Pharma	6%	Plastics	5%	Others*	13%	Asia-Pacific	54%	EMEA	26%	North America	14%	Latin America	6%
Tire	76%																
Consumer & Pharma	6%																
Plastics	5%																
Others*	13%																
Asia-Pacific	54%																
EMEA	26%																
North America	14%																
Latin America	6%																

Source: LANXESS volume estimates based on IHS Chemicals 2014


LANXESS Fact Book – Performance Polymers: Tire & Specialty Rubbers

BU Tire & Specialty Rubbers with strong synthetic rubbers brands for tire and non-tire applications


Products & brands	Applications
<ul style="list-style-type: none"> ▪ BTR: X_Butyl <ul style="list-style-type: none"> - Halogenated butyl rubber (chloro and bromo) - Regular butyl rubber - Specialties (including pharma grades)  ▪ PBR: Polybutadiene rubber (Buna™ CB / Nd EZ) <ul style="list-style-type: none"> - Nd-PBR - Li-PBR - Co-PBR  ▪ S-SBR: Solution styrene butadiene rubber (Buna™ VSL)  ▪ E-SBR: Emulsion styrene butadiene rubber (Buna™ SE) 	

LANXESS Fact Book – Performance Polymers: Tire & Specialty Rubbers

Tire & Specialty Rubbers – enabling mobility

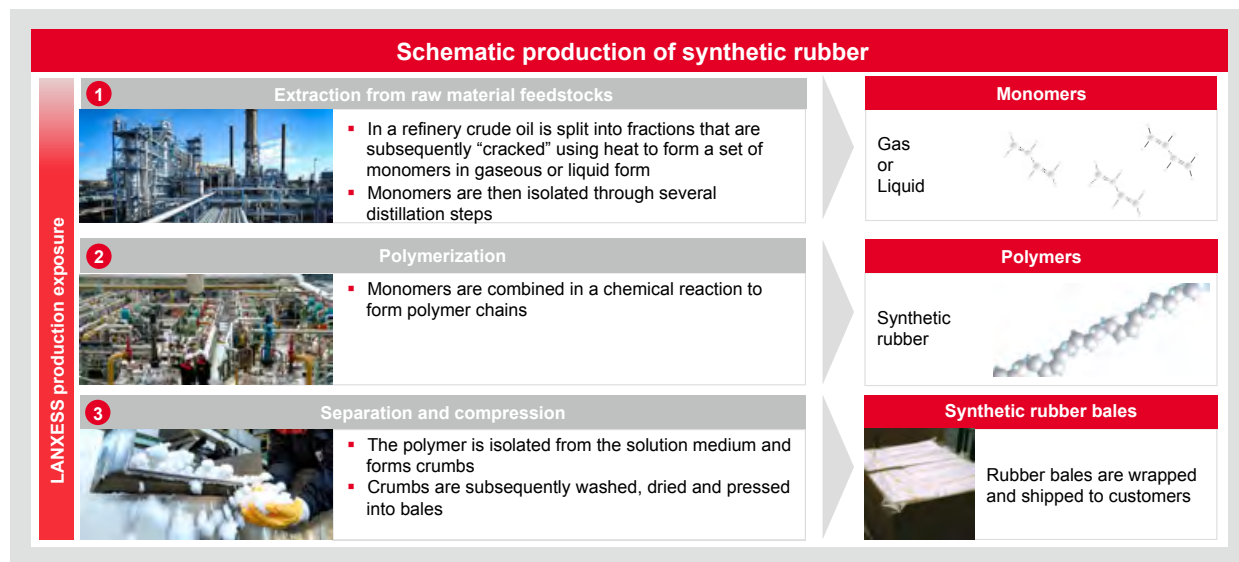


Tread	→ influences grip, fuel economy and noise
Undertread	→ provides stiffness, affects fuel economy
Upper steel belt	→ influences driving features and shape
Sidewall	→ offers ride comfort and protects carcass
Lower steel belt	→ influences the driving features and shape
Carcass	→ gives support and carries the load of the tire
Innerliner	→ keeps the air in the tire; ensures safety, fuel efficiency and improved handling
Steel wires	→ keeps the tire safely attached to wheel rim

 Made with BU TSR rubber

LANXESS Fact Book – Performance Polymers: Tire & Specialty Rubbers

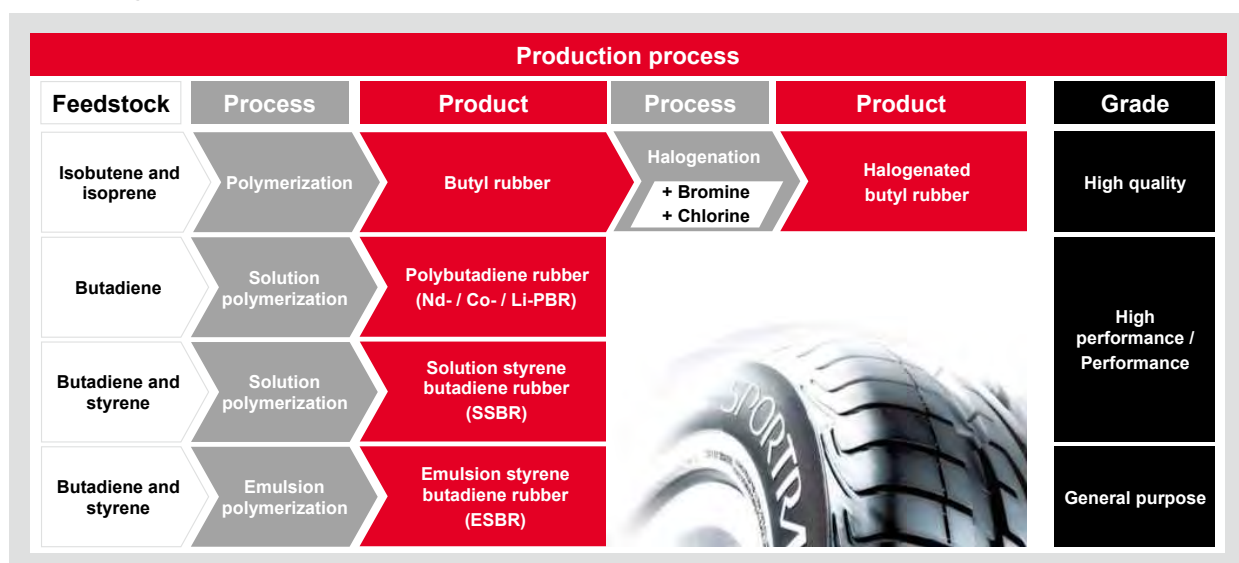
Production of synthetic rubber from crude oil to rubber bale



Source: International Rubber Study Group (IRSG)

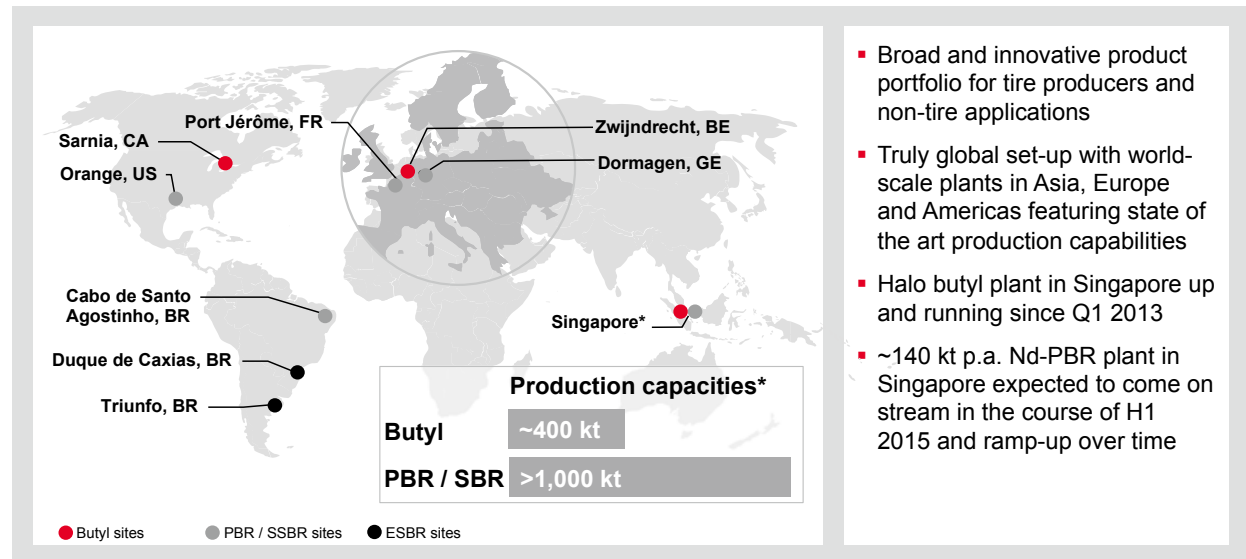
LANXESS Fact Book – Performance Polymers: Tire & Specialty Rubbers

State of the art production processes for butyl, polybutadiene and styrene butadiene rubbers



LANXESS Fact Book – Performance Polymers: Tire & Specialty Rubbers

Tire & Specialty Rubbers: Broad and innovative portfolio, excellent reputation and a truly global footprint



* Nameplate capacities per annum: installed capacity after full ramp-up / includes Nd-PBR Singapore; to come on stream in the course of H1 2015

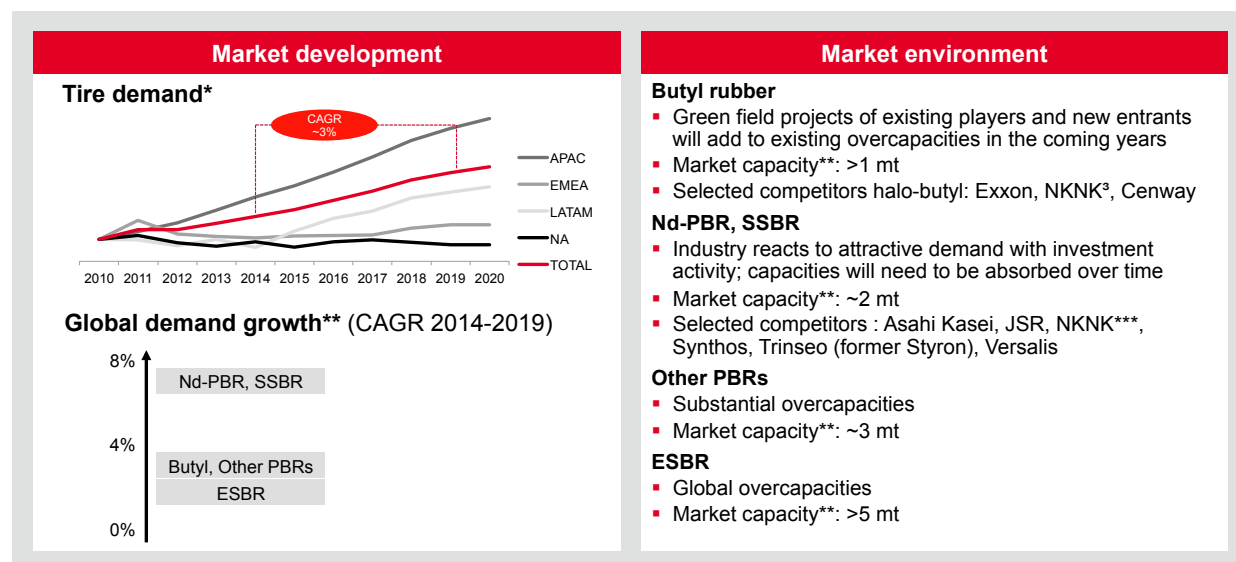
LANXESS Fact Book – Performance Polymers: Tire & Specialty Rubbers

Expanding production footprint for high-performance rubbers: Singapore site

New Nd-PBR plant in Singapore	Investment
	<ul style="list-style-type: none"> ▪ New ~140 kt p.a. polybutadiene rubber (Nd-PBR) plant to meet demand for “Green Tires” ▪ World’s largest Nd-PBR plant ▪ Location: Jurong Island Chemical Park ▪ ~€200 m investment ▪ Contracts signed with key raw material suppliers ▪ Facility to come on stream first half 2015 and ramp-up over time

LANXESS Fact Book – Performance Polymers: Tire & Specialty Rubbers

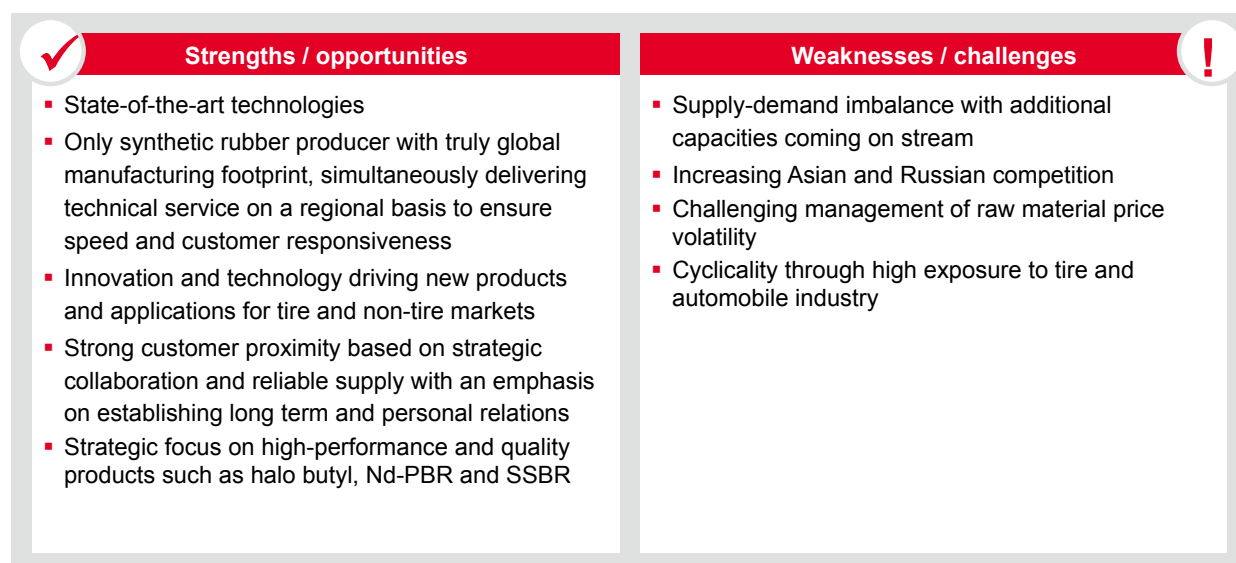
Mobility trend and growth through tire labeling intact, however supply-demand imbalance burdens



Source: * LMC and LANXESS volume estimates / ** LANXESS volume estimates based on IHS Chemicals 2014, *** Nizhnekamskneftekhim

LANXESS Fact Book – Performance Polymers: Tire & Specialty Rubbers

Good market and technology position faces supply-demand imbalances



LANXESS Fact Book – Performance Polymers: Tire & Specialty Rubbers

Agenda

1. LANXESS – Energizing Chemistry

2. Business Segments

- Performance Polymers

Tire & Specialty Rubbers

High Performance Elastomers

High Performance Materials

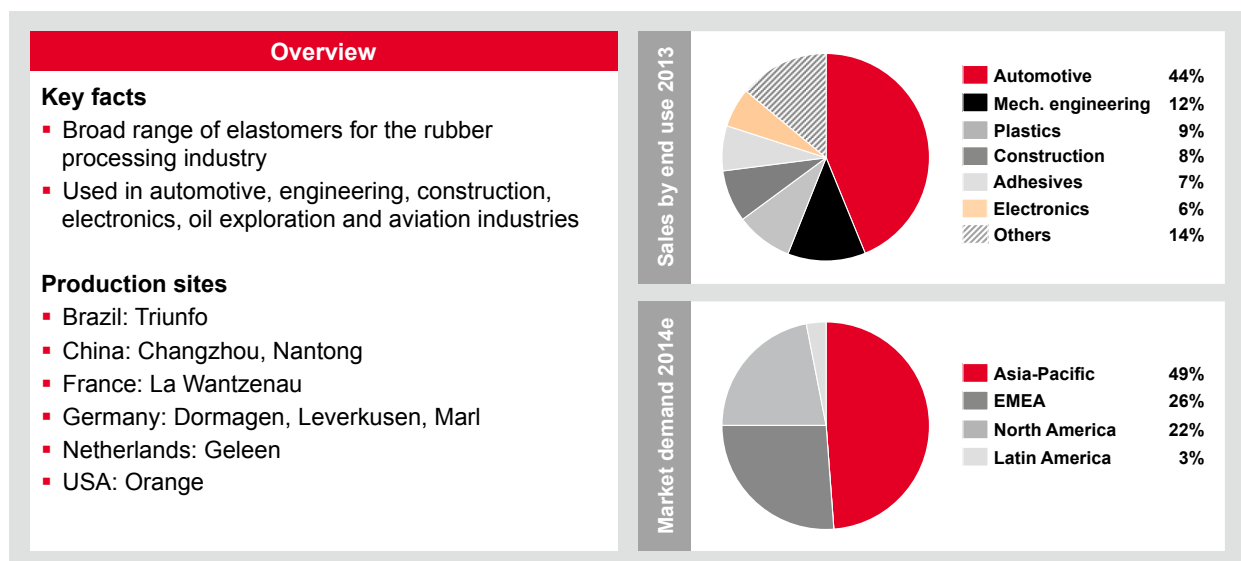
- Advanced Intermediates

- Performance Chemicals

3. Financials

LANXESS Fact Book – Performance Polymers: High Performance Elastomers





High Performance Elastomers offers a broad range of elastomers for technical applications



Source: LANXESS volume estimates based on IHS Chemicals 2014

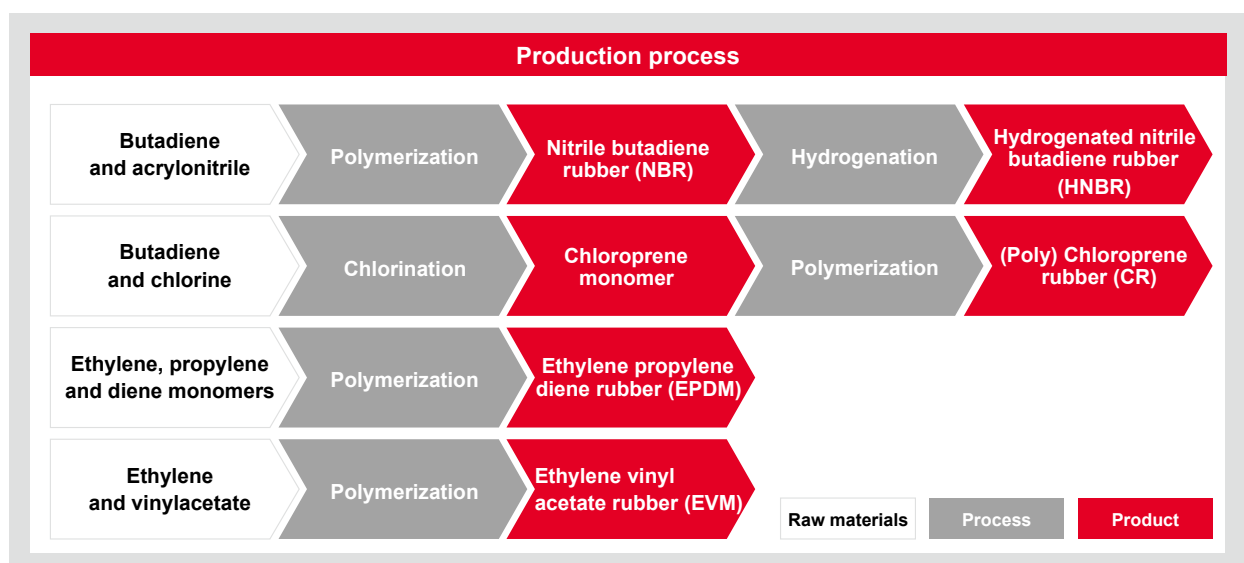
LANXESS Fact Book – Performance Polymers: High Performance Elastomers

Broad portfolio of synthetic rubber for various applications

Products & brands	Applications
<p>Products</p> <ul style="list-style-type: none"> EPDM: Ethylene Propylene Diene Rubber  NBR: Nitrile Butadiene Rubber  HNBR: Hydrogenated Nitrile Butadiene Rubber  CR: Chloroprene Rubber  EVM: Ethylene Vinylacetate Rubber  	

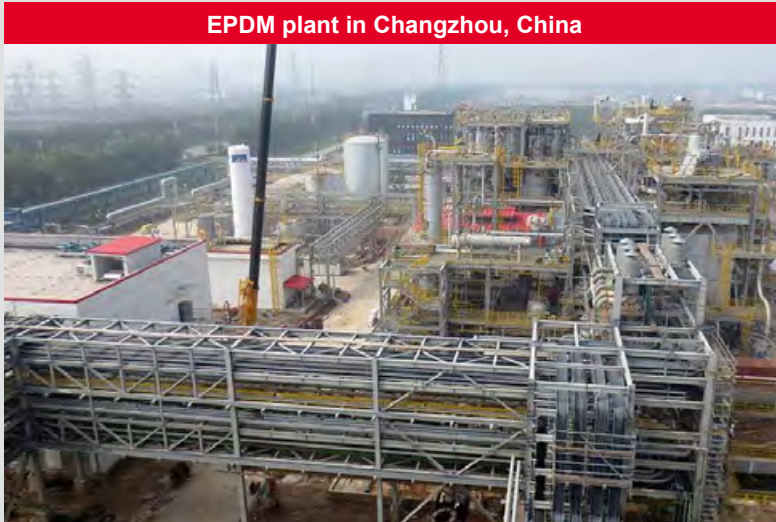
LANXESS Fact Book – Performance Polymers: High Performance Elastomers

Business based on state of the art production processes



LANXESS Fact Book – Performance Polymers: High Performance Elastomers

Tapping the fastest growing EPDM market: LANXESS invests in plant in Changzhou, China

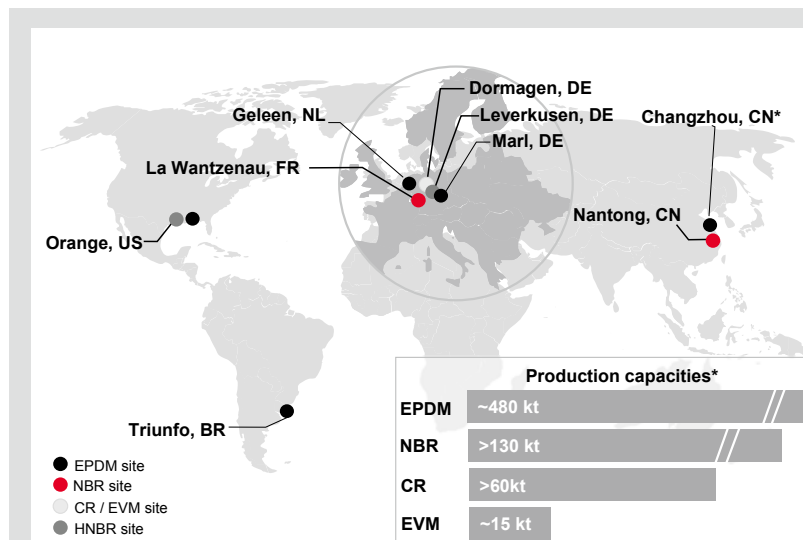


EPDM plant in Changzhou, China

- Investment in China to support strong regional growth
- Investment of ~€235 m, largest LANXESS investment in China to date
- World's largest EPDM plant – a competitive site with proprietary Keltan ACE™ technology
- Nameplate capacity of ~160 kt/a
- Start-up expected in 2015

LANXESS Fact Book – Performance Polymers: High Performance Elastomers

High Performance Elastomers: Global player with unique asset base in all major regions



- Diversified technical rubber portfolio, covering large volume products (EPDM, NBR, CR) as well as specialties (HNBR, EVM)
- Economies of scale through world scale assets for CR, NBR and EPDM
- World's largest EPDM plant currently build in Changzhou, China

* Nameplate capacities, includes EPDM Changzhou with 160 kt; to come on stream in the course of 2015

LANXESS Fact Book – Performance Polymers: High Performance Elastomers

Efficient and environmental friendly production technologies strengthen position of High Performance Elastomers

Keltan (EPDM) ACE™ - Technology

- Keltan Advanced Catalyst Elastomer (ACE™) technology in our production sites in Geleen & Changzhou (as of 2015) features:
 - Reduced energy consumption resulting in lower production cost
 - Improved quality
 - Full grade slate with further potential for product diversification
 - Lower investment compared to similar Ziegler-Natta plant

Chloropren (CR) New Finishing - Technology

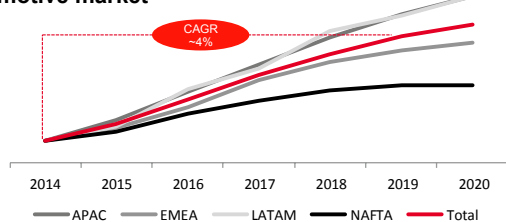
- Expansion of alternative finishing capacity to more than 60 kt solid Polychloroprene, (inaugurated in June 2013) offers:
 - Reduced consumption of water and natural gas; eliminates the use of ammonia
 - Unique and improved products
 - Unique positioning: LANXESS is the only CR producer with dry finishing technology

LANXESS Fact Book – Performance Polymers: High Performance Elastomers

End user markets of High Performance Elastomers are driven by megatrends mobility and urbanization

Market development

Automotive market



Demand growth (CAGR 2014-2019)

- Global: ~4%
- Asia-Pacific: ~5%
- North America: ~3%
- EMEA: ~4%
- Latin America: ~5%

HPE products demand growth: average of ~4% driven by automotive industry; some specialties with higher growth rates

Market environment

EPDM:

- Significant capacities build globally; US producers benefitting from lower cost shale gas based feedstock
- Market capacity >1.3 mt
- Selected competitors: Dow, Exxon, Kumho, Mitsui



Other technical rubbers (CR, (H)NBR, EVM):

- Scale and impact of overcapacities depend on specialty grade of rubber, i.e. NBR with overcapacities and scattered supplier landscape
- Market capacities: >1.0 mt
- Selected competitors: Denki Kagaku Kogyo (Denka), JSR, Kumho, Petrochina, Zeon

Source: Volume estimates based on LANXESS market intelligence / IHS Chemicals

LANXESS Fact Book – Performance Polymers: High Performance Elastomers

Broad product portfolio and strong asset base

 Strengths / opportunities	Weaknesses / challenges 
<ul style="list-style-type: none">▪ Diversified technical rubber portfolio, covering volume products (EPDM, NBR, CR) as well as specialties (HNBR, EVM)▪ Global player with unique asset base in all major regions (Asia, Europe, Americas)▪ Economies of scale through world scale assets for CR, NBR, EPDM▪ Robust performance products meeting increasing product requirements	<ul style="list-style-type: none">▪ Slow recovery of automotive industry after economic downturn in the Western hemisphere▪ Announced capacities likely to outpace EPDM demand growth▪ North American EPDM producers to take advantage of lower feedstock and energy prices▪ Backward integrated competition▪ Scattered global NBR supplier landscape with overcapacities

LANXESS Fact Book – Performance Polymers: High Performance Elastomers

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1. LANXESS – Energizing Chemistry

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High Performance Elastomers

High Performance Materials

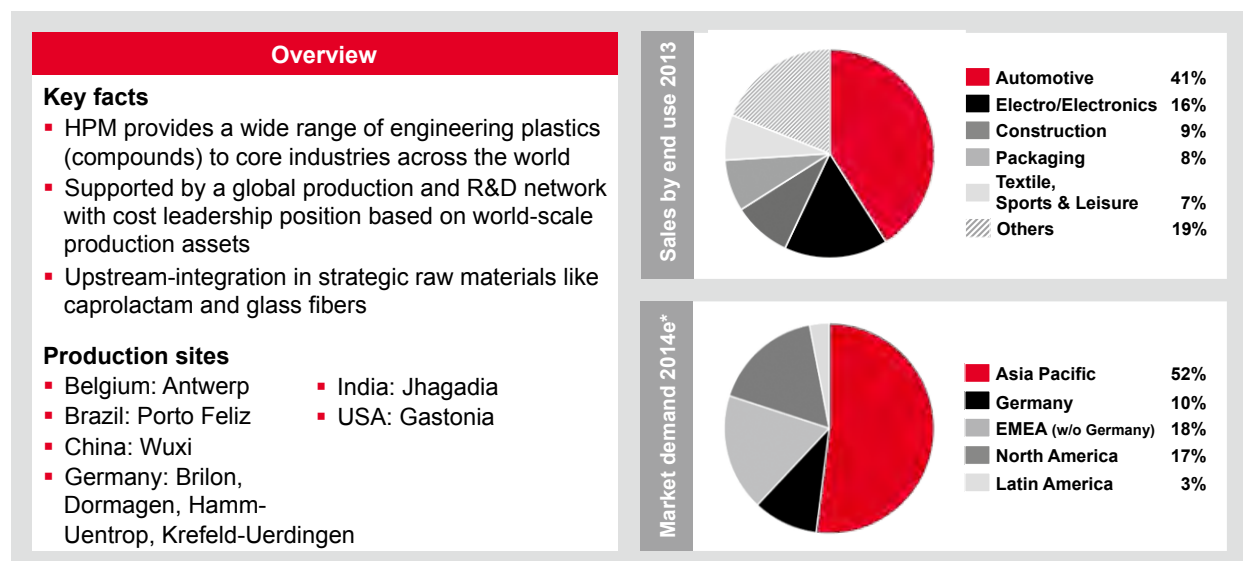
- Advanced Intermediates

- Performance Chemicals

3. Financials

LANXESS Fact Book – Performance Polymers: High Performance Materials


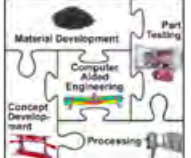


High Performance Materials: Engineering plastics with upstream-integration into strategic intermediates



* LANXESS estimates: Engineering plastics by volume

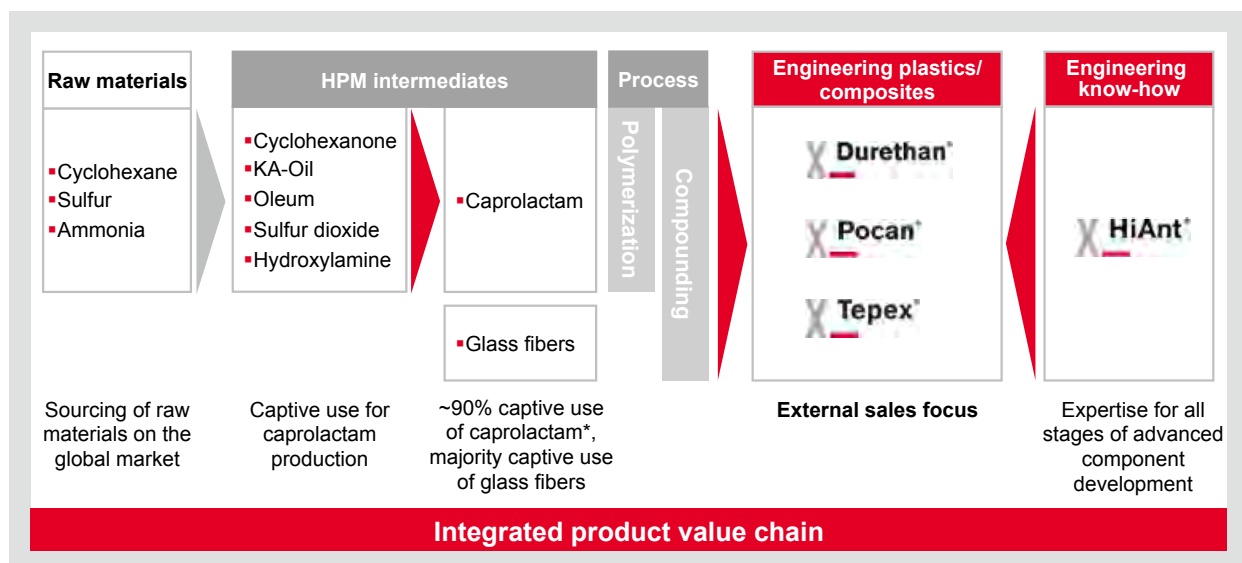
LANXESS Fact Book – Performance Polymers: High Performance Materials

Broad portfolio and strong brands to service core industries

<p>X Durethan® Polyamide 6 (PA6) and polyamide 6.6 (PA6.6) based plastics</p>	<ul style="list-style-type: none"> Automotive (e.g. front ends, connectors, intake manifolds, door handles) Electrical / electronics, construction 	<p>Car front end</p> 	<p>X HiAnt® Product and application development service package</p> <p>High-end engineering know-how for all stages of advanced component development – integral to added value compounds business</p> 
<p>X Pocan® Polybutylene terephthalate (PBT) based plastics</p>	<ul style="list-style-type: none"> Automotive engineering (e.g. bumper, electro motor housings) Electrical / electronics (e.g. switches, electrical housing) 	<p>Truck front bumper</p> 	
<p>X Tepex® Continuous fiber-reinforced thermoplastic composite sheets</p>	<ul style="list-style-type: none"> Automotive (bumper beams, crash cones and structural components) Sports (e.g. footwear, helmets) and consumer electronics 	<p>Brake pedal</p> 	

LANXESS Fact Book – Performance Polymers: High Performance Materials

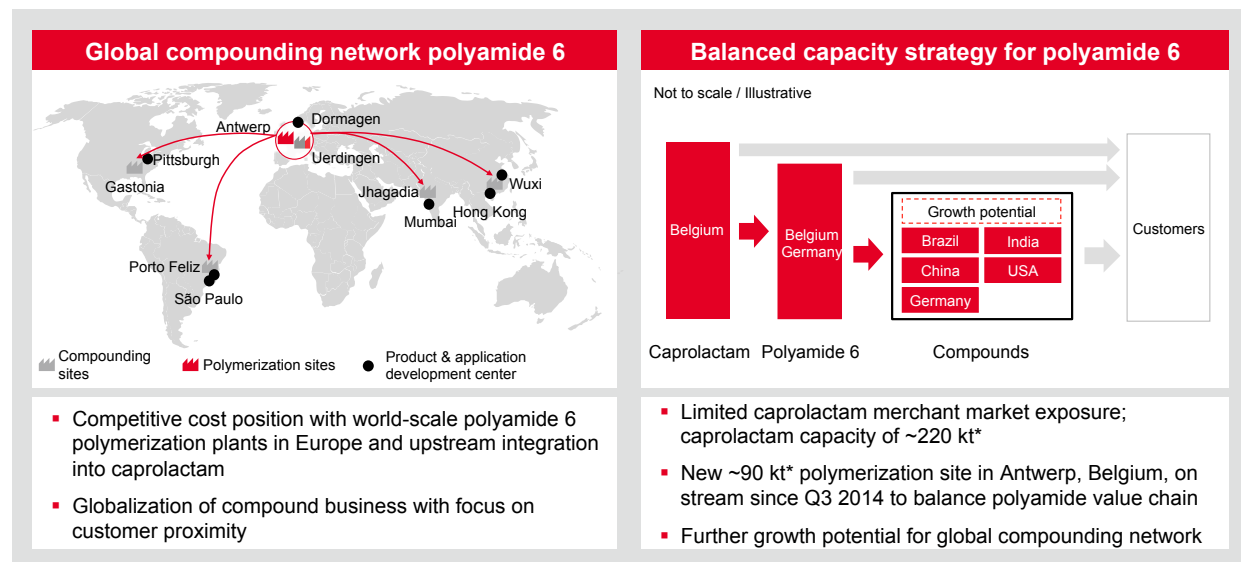
An integrated polyamide value chain, combined with engineering expertise in component development



* After ramp up of polyamide site in Antwerp, Belgium

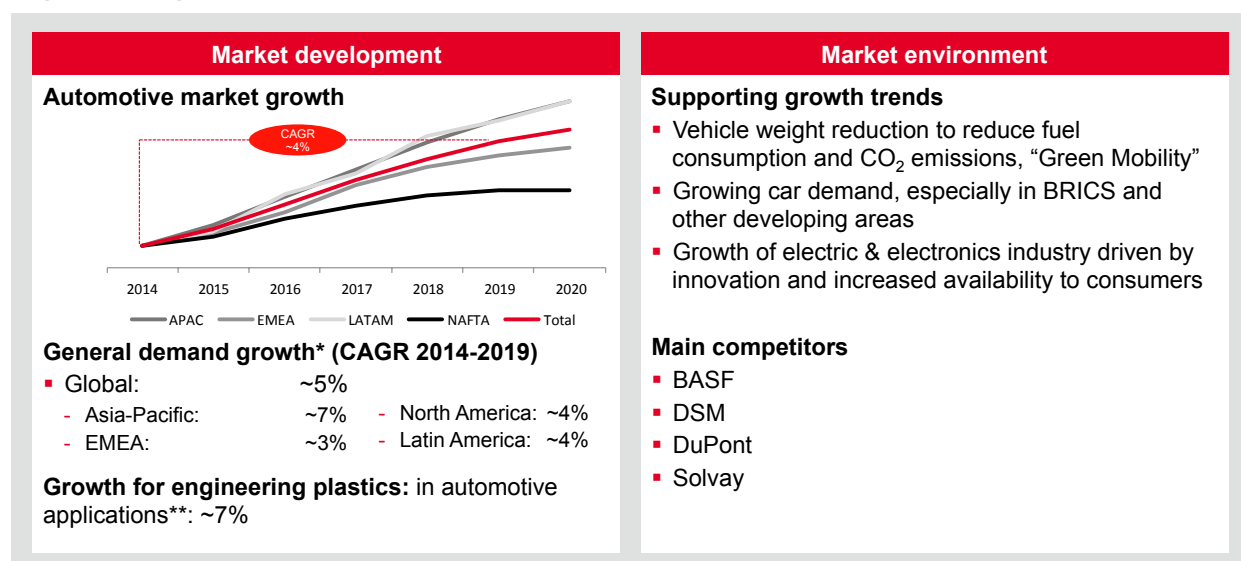
LANXESS Fact Book – Performance Polymers: High Performance Materials

Globalization of engineering plastics as core element of strategy to enable growth



LANXESS Fact Book – Performance Polymers: High Performance Materials



Growth largely driven by the increasing demand for lightweight solutions



Source: AMI Plastics, IHS Chemicals, LMC Automotive, PCI Nylon, Plastics Europe, LANXESS volume estimates; * Demand for PA6, PA66, PBT engineering plastics; ** Demand growth through substitution (from metal to plastics in cars) and unit growth

LANXESS Fact Book – Performance Polymers: High Performance Materials

A solid base for expanding a successful business model worldwide

 Strengths / opportunities	 Weaknesses / challenges
<p>Engineering plastics</p> <ul style="list-style-type: none"> ▪ Leading position in EMEA and further business growth in all relevant global markets ▪ Strong brands and broad product portfolio ▪ Cutting-edge global product and application development organization with excellent customer relationships ▪ Strong production network to serve markets worldwide ▪ Thermoplastic composites (Tepex®) technology entrenches LANXESS position as leading innovator <p>Intermediates</p> <ul style="list-style-type: none"> ▪ World-scale upstream integration into caprolactam and glass fibers ▪ Cost leadership based on world-scale assets with excellent economies of scale and optimized logistics ▪ Balanced caprolactam / PA capacity model reduces exposure to oversupplied caprolactam merchant market 	<p>Engineering plastics</p> <ul style="list-style-type: none"> ▪ Challenge of delivering above market growth for engineering plastics business in Americas ▪ Short-term volatility in demand, raw material prices, energy costs and exchange rates can lead to shifts in the global balance of supply and demand and in the short-term to pricing and margin imbalances <p>Intermediates</p> <ul style="list-style-type: none"> ▪ Managing global supply and demand in line with trade barriers and subsidies ▪ Overcapacities of caprolactam for the next years put merchant market margins under pressure, however LANXESS with limited exposure

LANXESS Fact Book – Performance Polymers: High Performance Materials

Business Segments – Advanced Intermediates

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- **Advanced Intermediates**
- Performance Chemicals

3. Financials

LANXESS Fact Book – Advanced Intermediates

The Advanced Intermediates segment comprises our businesses in intermediates and fine chemicals

Advanced Industrial Intermediates



- One of the world's leading manufacturers of high-quality industrial intermediates such as benzene- and toluene-derivatives, amines, polyols, and inorganics
- Competitiveness through an integrated production network with resilient business in the agro and chemical industries

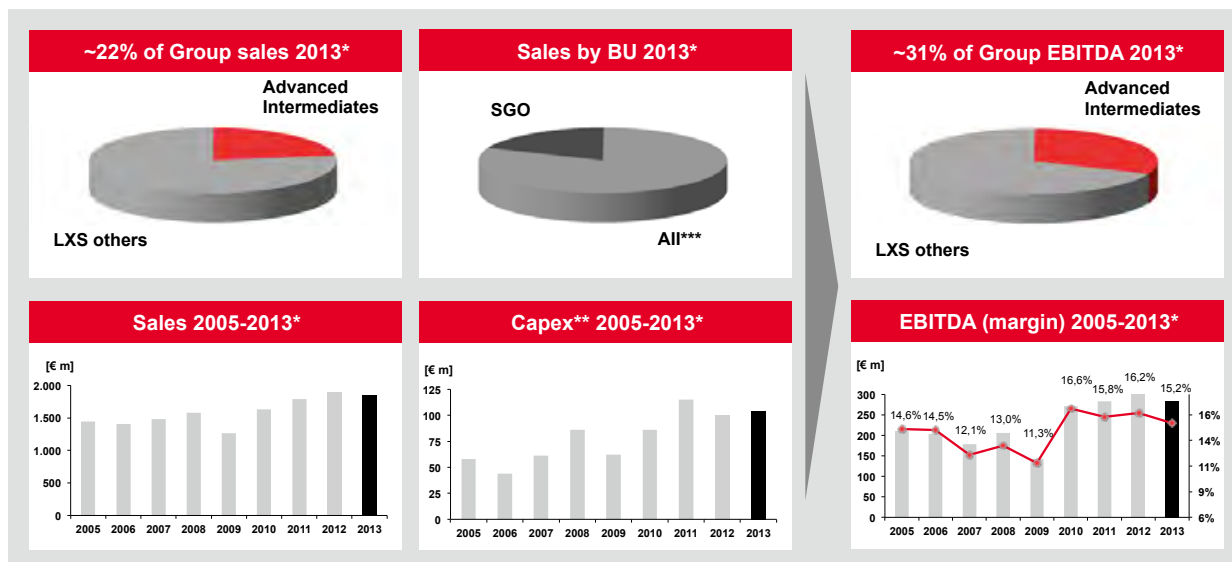
Saltigo



- A leading supplier in the custom synthesis market, providing state of the art technologies and services to the agrochemicals and specialty chemicals industries
- Growth driven by strong foothold in agrochemical industry

LANXESS Fact Book – Advanced Intermediates

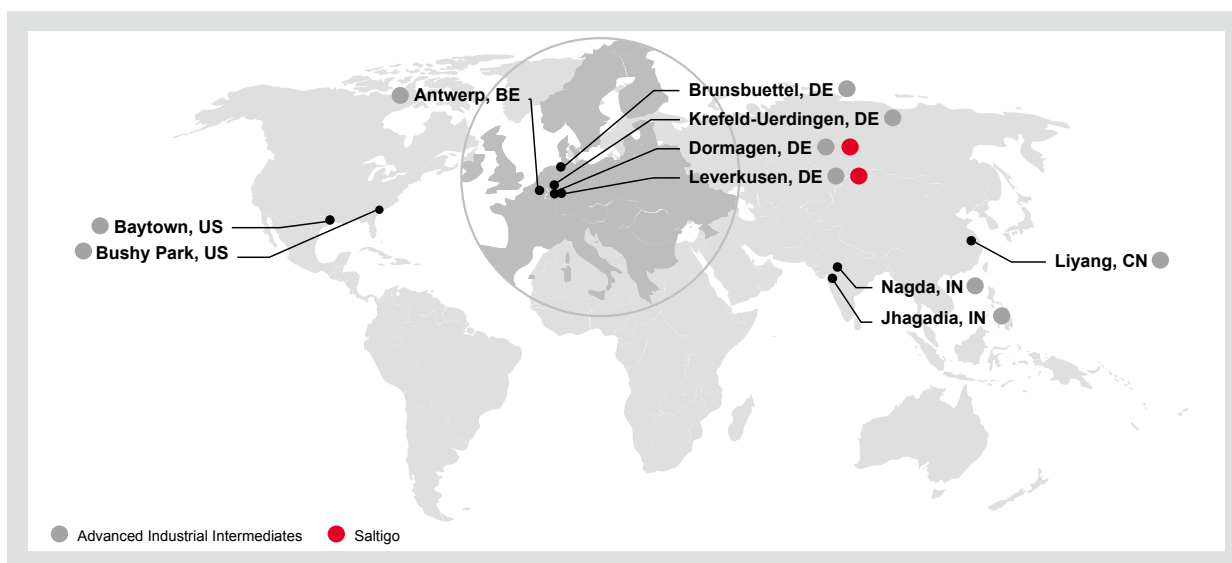
Advanced Intermediates: Financials demonstrate business' resilience



All references to EBITDA are pre exceptional; * Operating segments; pro forma restatements with new BU structure ** Net of capitalized borrowing cost, projects financed by customers and finance lease; *** As of January 1, 2015 the accelerators and antioxidant product lines of BU RUC will be integrated into BU All

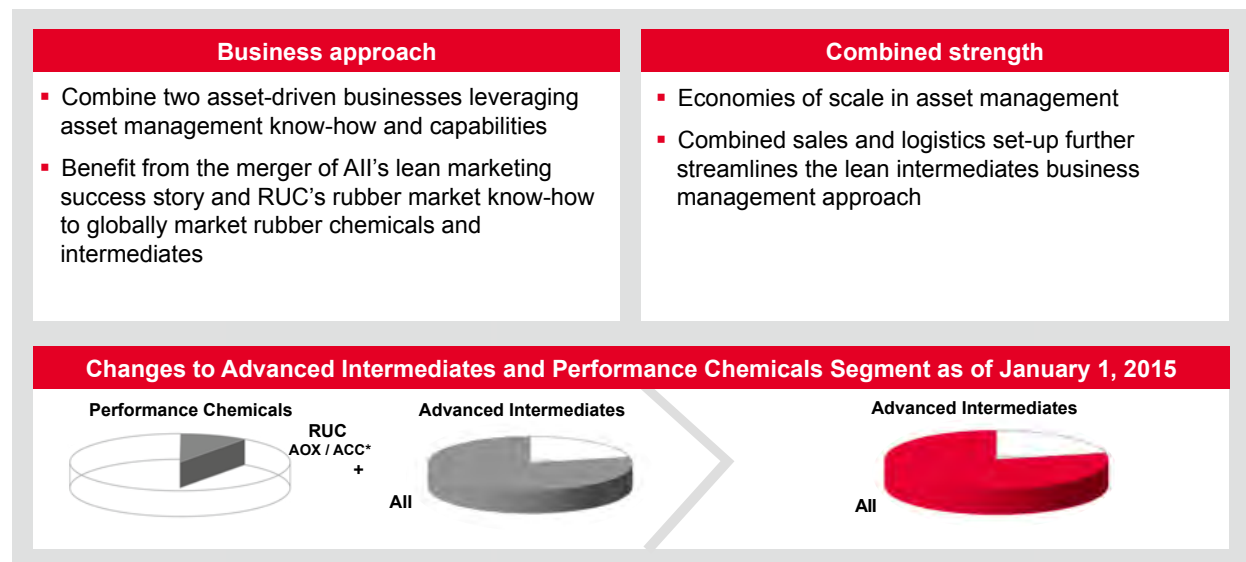
LANXESS Fact Book – Advanced Intermediates

Advanced Intermediates with a primarily European manufacturing base



LANXESS Fact Book – Advanced Intermediates

Integration of asset-intensive rubber chemicals into lean intermediates business management structure of All



Sales split based on FY 2013 * AOC = Antioxidants Business Line, ACC = Accelerators Business Line

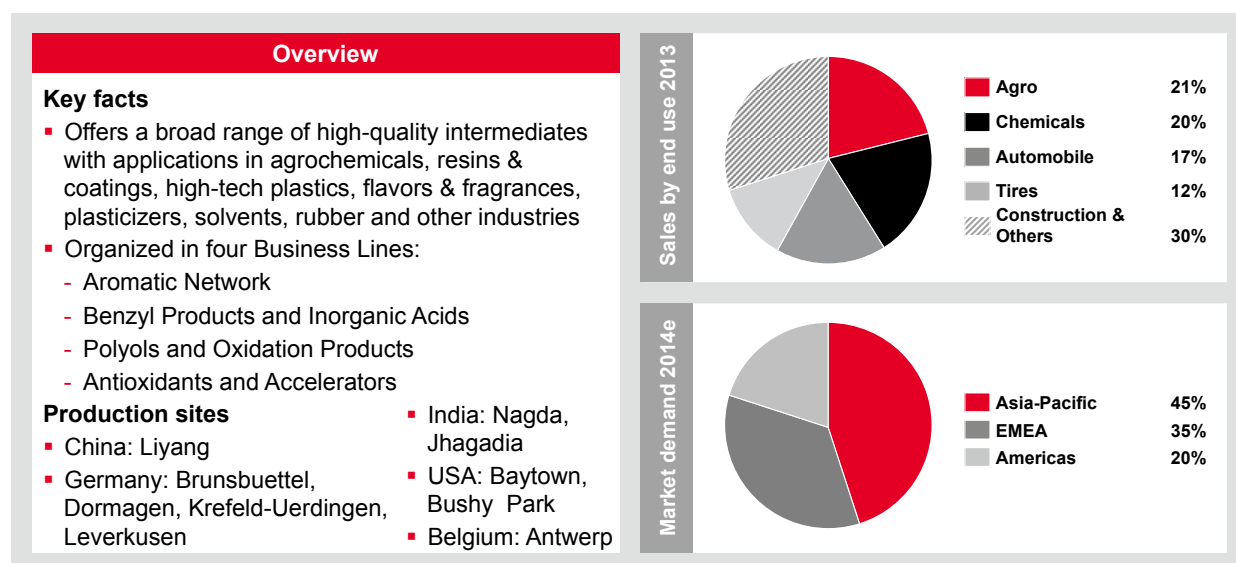
LANXESS Fact Book – Advanced Intermediates

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1. LANXESS – Energizing Chemistry
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Advanced Industrial Intermediates
Saltigo
- Performance Chemicals
3. Financials

LANXESS Fact Book – Advanced Intermediates: Advanced Industrial Intermediates





Advanced Industrial Intermediates: Global reach with a well established asset base



Source: LANXESS estimates

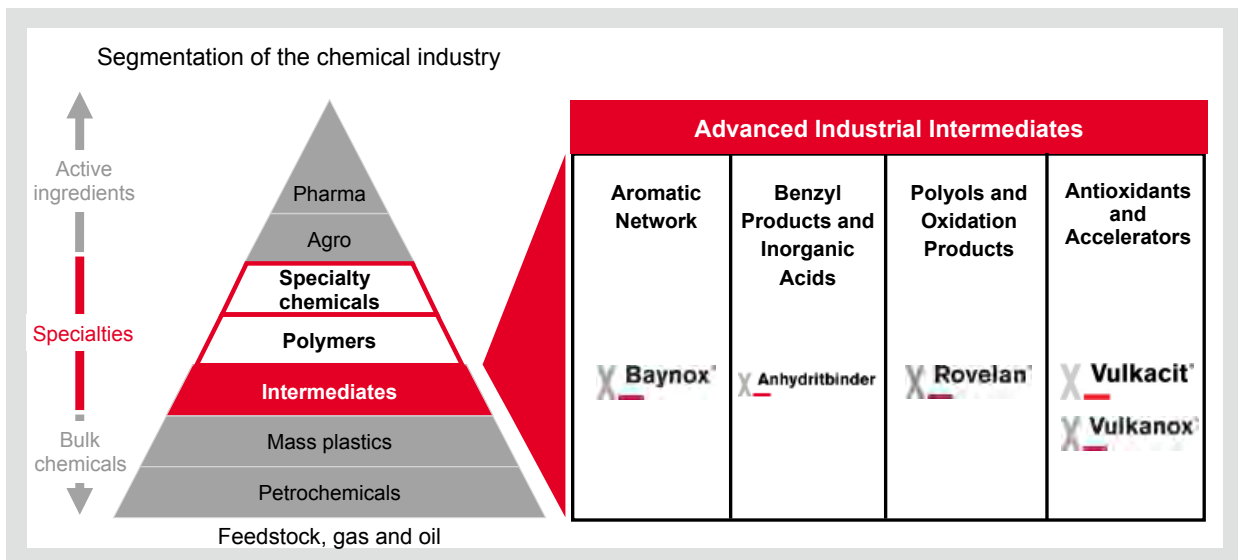
LANXESS Fact Book – Advanced Intermediates: Advanced Industrial Intermediates

Four Business Lines provide high-quality intermediates for a wide range of applications

Aromatic Network	Benzyl Products and Inorganic Acids	Polyols and Oxidation Products	Antioxidants and Accelerators
Main intermediates <ul style="list-style-type: none"> Chlorobenzenes Chlorotoluenes Cresols, d / l-Menthol Nitrotoluenes Toluidines Monoisocyanates 	Main intermediates <ul style="list-style-type: none"> Amines Benzylchlorides Benzylalcohol Benzaldehyde Hydrofluoric acid Hydrazine hydrate 	Main intermediates <ul style="list-style-type: none"> Hexanediol Trimethylolpropane Adipic acid Maleic anhydride Phthalic anhydride Calcium formate 	Main intermediates <ul style="list-style-type: none"> Phenylendiamines Quinolines Thiazoles Sulfenamides Mercaptobenzimidazoles Peptizer
Main applications <ul style="list-style-type: none"> Agrochemicals Flavors & fragrances High-tech plastics Chemicals 	Main applications <ul style="list-style-type: none"> Agrochemicals Advanced polymers Solvents Flavors & fragrances 	Main applications <ul style="list-style-type: none"> Polyester resins Coatings Plasticizers Building material additives 	Main applications <ul style="list-style-type: none"> Tires Technical rubber goods Consumer goods Fuel additives 

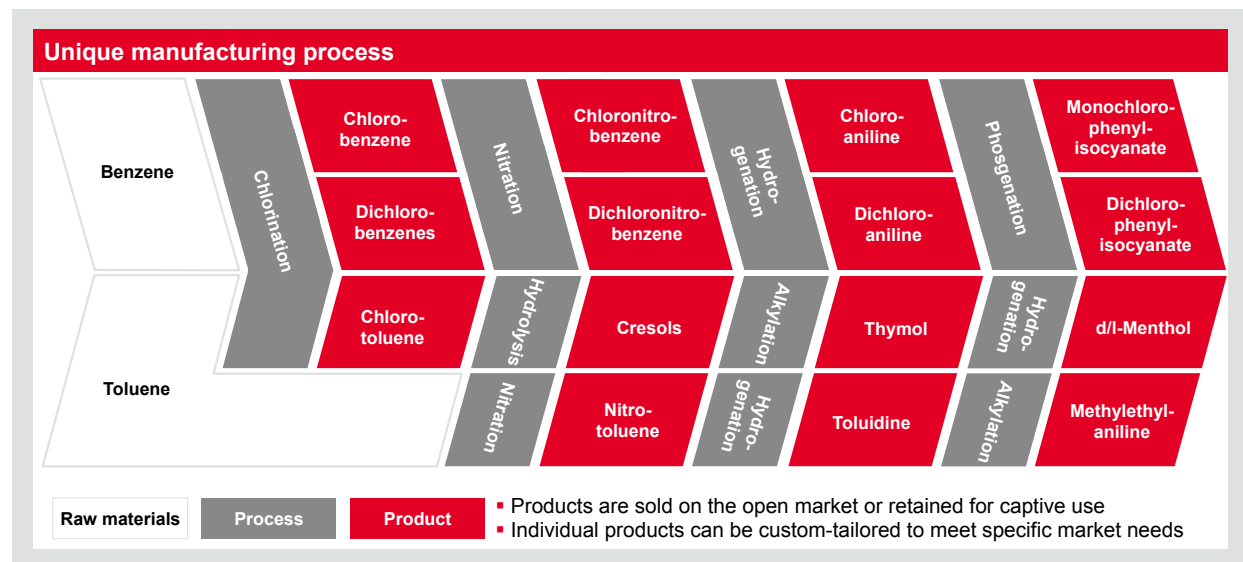
LANESS Fact Book – Advanced Intermediates: Advanced Industrial Intermediates

Advanced Industrial Intermediates: Leading positions in high-quality intermediates



LANESS Fact Book – Advanced Intermediates: Advanced Industrial Intermediates

Process example Aromatic Network: Competitive advantage based on integrated manufacturing processes



LANXESS Fact Book – Advanced Intermediates: Advanced Industrial Intermediates

Increased focus on environmental topics in China supports LANXESS' strategic position especially for accelerators

Enforcement of environmental regulations in China

- Environmental pollution of growing public and governmental concern in China
- Government likely to further tighten the legislation and enforcement of environmental rules and laws
- More stringent enforcement of regulations, in particular, regarding waste water, starts to affect Chinese supply situation
- As LANXESS produces in compliance with consistent globally equally high HSEQ standards, current developments in China support LANXESS' strategic position at key customers



LANXESS Fact Book – Advanced Intermediates: Advanced Industrial Intermediates

Megatrends create more end uses for LANXESS' high-quality intermediates

Market development	Market environment											
<p>Demand growth* (CAGR 2014-2019)</p> <ul style="list-style-type: none"> ▪ Overall: ~3-4% - Asia-Pacific: ~6% - EMEA: ~3% - North America: ~3% - South America: ~4% 	<p>Supporting growth trends</p> <ul style="list-style-type: none"> ▪ Agriculture megatrend: Intermediates from the Aromatic Network, together with benzyl products, are key raw materials for agrochemicals produced by LANXESS' customers ▪ Mobility and urbanization megatrends: Intermediates from all four business lines are key raw materials for high-tech plastics, rubber manufacturing and coatings & resins ▪ Strong growth in Asia-Pacific, especially in China and India ▪ Stable demand in consolidated European and American markets 											
<p>Main competitors</p> <table border="0"> <tr> <td>▪ Aarti</td> <td>▪ Ihara</td> </tr> <tr> <td>▪ BASF</td> <td>▪ Ineos</td> </tr> <tr> <td>▪ Sunline</td> <td>▪ Jiangsu Yangnong</td> </tr> <tr> <td>▪ DDF</td> <td>▪ Kumho PC</td> </tr> <tr> <td>▪ Eastman</td> <td>▪ Mitsui</td> </tr> <tr> <td>▪ Huaihe</td> <td>▪ Perstorp</td> </tr> </table>		▪ Aarti	▪ Ihara	▪ BASF	▪ Ineos	▪ Sunline	▪ Jiangsu Yangnong	▪ DDF	▪ Kumho PC	▪ Eastman	▪ Mitsui	▪ Huaihe
▪ Aarti	▪ Ihara											
▪ BASF	▪ Ineos											
▪ Sunline	▪ Jiangsu Yangnong											
▪ DDF	▪ Kumho PC											
▪ Eastman	▪ Mitsui											
▪ Huaihe	▪ Perstorp											
<p>Stable business driven by high diversity of end uses</p>												

* Source: Global Insight and LMC automotive; BU All specific end use

LANXESS Fact Book – Advanced Intermediates: Advanced Industrial Intermediates

Advanced Industrial Intermediates is well positioned to generate value in the global marketplace

✓ Strengths / opportunities	! Weaknesses / challenges
<ul style="list-style-type: none"> ▪ Strong market positions with many high-quality intermediates ▪ Competitive technologies and world-scale production facilities ▪ Competitive asset base, i.e. with unique Aromatic Network, enabling cost-efficient production, optimized capacity utilization and product mix ▪ Established customer relationships and many years of experience in global market place ▪ Growing environmental concerns in China offer further business opportunities for accelerators due to increasing regulatory pressure on local producers 	<ul style="list-style-type: none"> ▪ In some markets upcoming new facilities in Asia will pose increased competitive pressure ▪ Continued migration of certain customer industries to Asia (e.g. textile chemicals, dyestuffs, fluorochemicals, pigments, etc.) ▪ Challenge of passing on increasing input costs for raw materials and energy ▪ Potential higher trade barriers ▪ REACH* and other regulations will lead to further cost increases and complexity ▪ Oversupply of antioxidant and accelerator businesses in Asia, i.e. China

* Registration, Evaluation, Authorization and Restriction of Chemicals

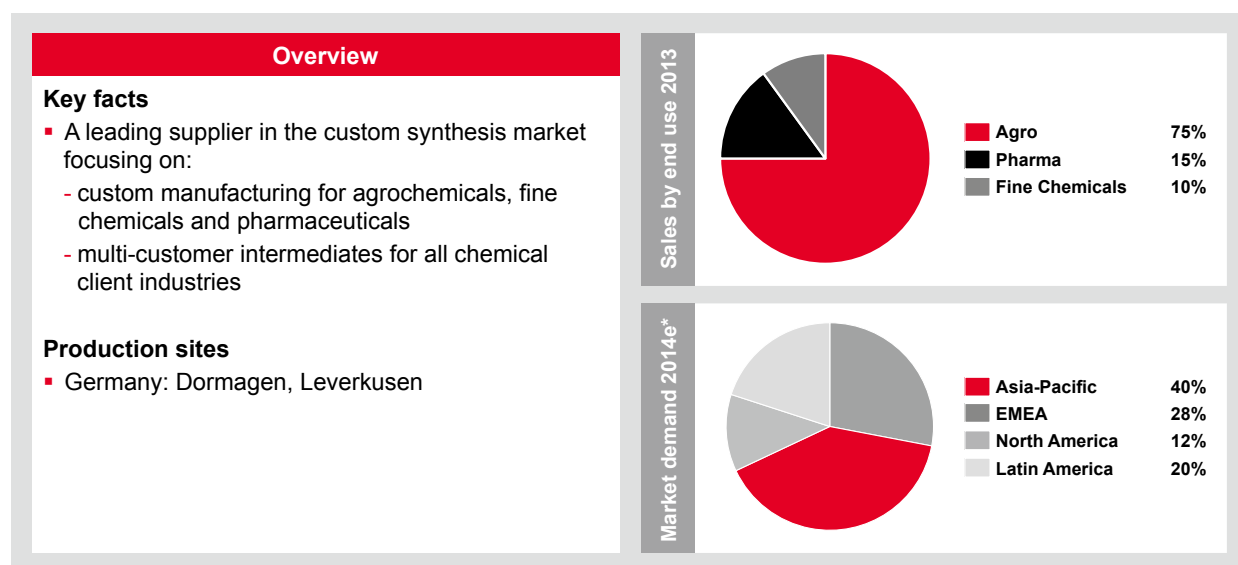
LANXESS Fact Book – Advanced Intermediates: Advanced Industrial Intermediates

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LANXESS Fact Book – Advanced Intermediates: Saltigo


Saltigo: A leading custom manufacturer for the agro and fine chemical markets



* Estimated consumption by agrochemical end user market, source: IHS Global Insight 2014

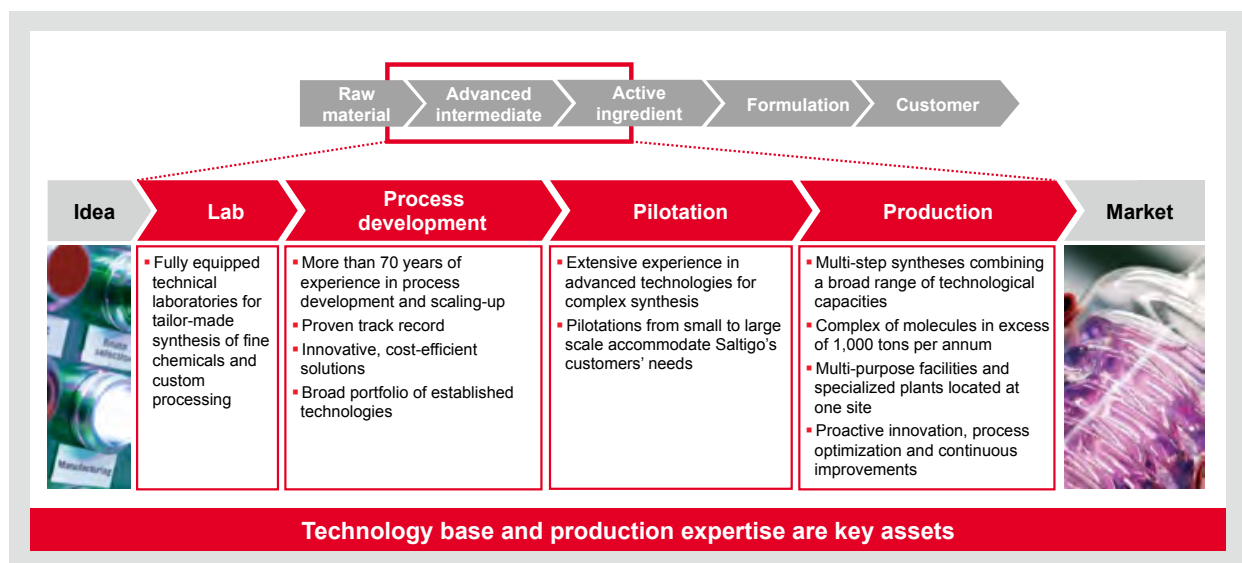
LANXESS Fact Book – Advanced Intermediates: Saltigo

Saltigo provides custom manufactured active ingredients and multi-customer fine chemicals

Products & services	Applications
<ul style="list-style-type: none"> ▪ Custom manufactured active ingredients and intermediates for agrochemicals, pharmaceuticals and other industries ▪ Broad portfolio of high-quality multi-customer catalogue products for different industries ▪ Full service provider for route selection, lab scale development, pilot production, manufacturing and analytical services based on efficient, best-in-class project management ▪ Proprietary active ingredients: insect repellent Saltidin® <p style="text-align: center; font-size: 24px; color: #e91e63;">Saltidin®</p>	

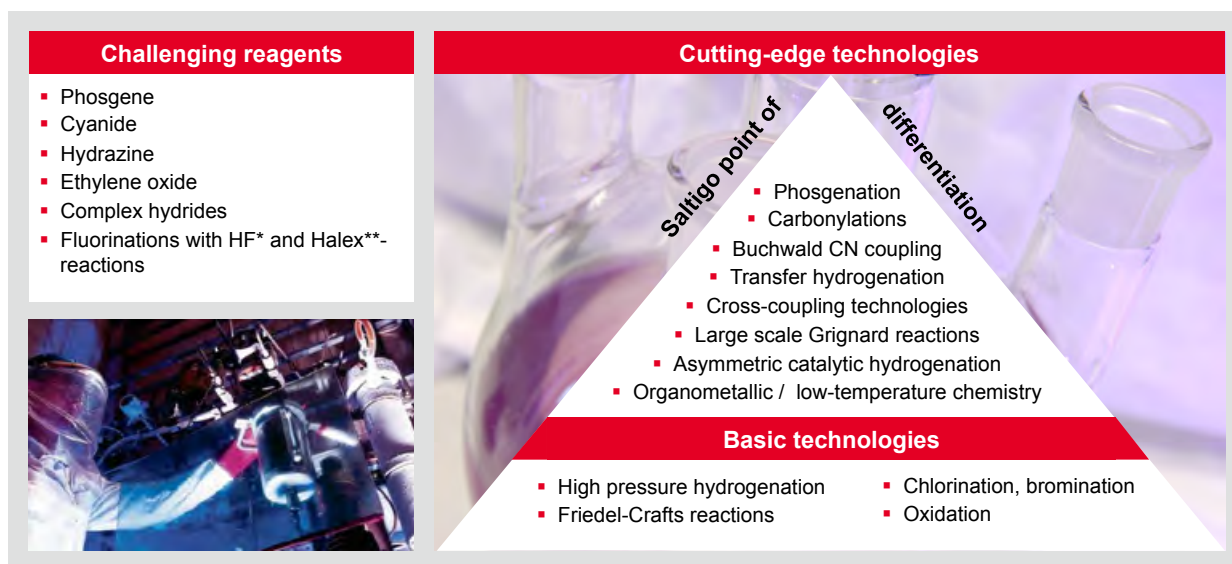
LANXESS Fact Book – Advanced Intermediates: Saltigo

Unique technology base and outstanding track record to support customer needs along the complete project lifecycle



LANXESS Fact Book – Advanced Intermediates: Saltigo

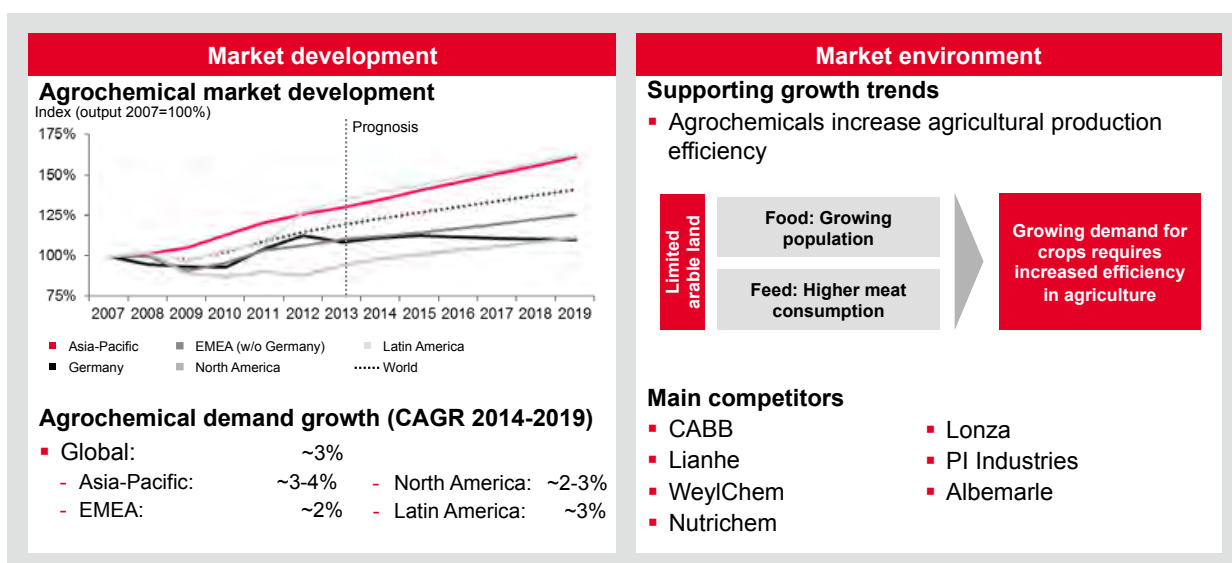
Challenging chemistries and technologies in process development and manufacturing at one site



* Hydrofluoric acid; ** Halogen exchange

LANXESS Fact Book – Advanced Intermediates: Saltigo



Saltigo benefits from stable growth in agrochemicals



Source: LANXESS estimates based on Global Insight

LANXESS Fact Book – Advanced Intermediates: Saltigo

Saltigo is leveraging its expertise in managing complex processes and challenging chemistry

 Strengths / opportunities	Weaknesses / challenges 
<ul style="list-style-type: none"> ▪ Leading global position in the custom manufacturing of agrochemicals ▪ State-of-the-art technology and service offering for the agrochemical, pharmaceutical and fine chemical industries ▪ Well established brand and focused market approach results in strong customer relationships ▪ Efficient project management ▪ Technology leadership in high-end chemistry ▪ Integrated production facilities in Germany ▪ Well positioned to benefit from ongoing outsourcing trend in the fine chemicals industry 	<ul style="list-style-type: none"> ▪ Increasing competition and cost pressure from Asia and other emerging markets ▪ Increasing R&D cost / decrease in the number of new active ingredients in the pipeline of major agro players ▪ Tougher political and regulatory environment of pesticide use ▪ Trend to shorter “time to market” comes with more challenging timelines

LANXESS Fact Book – Advanced Intermediates: Saltigo

Business Segments – Performance Chemicals

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LANXESS Fact Book – Performance Chemicals

Performance Chemicals: Production of application-focused chemicals for a wide range of industries (1/2)

Material Protection Products



- Wide range of microbial control products for construction and paints, beverages, industrial use and wood protection

Inorganic Pigments



- A leading global supplier of inorganic pigments for the coloring of construction materials, coatings, plastics and for technical applications



Rhein Chemie Additives



- Solution provider for additives in rubber, plastics, construction, colorants and lubricant applications

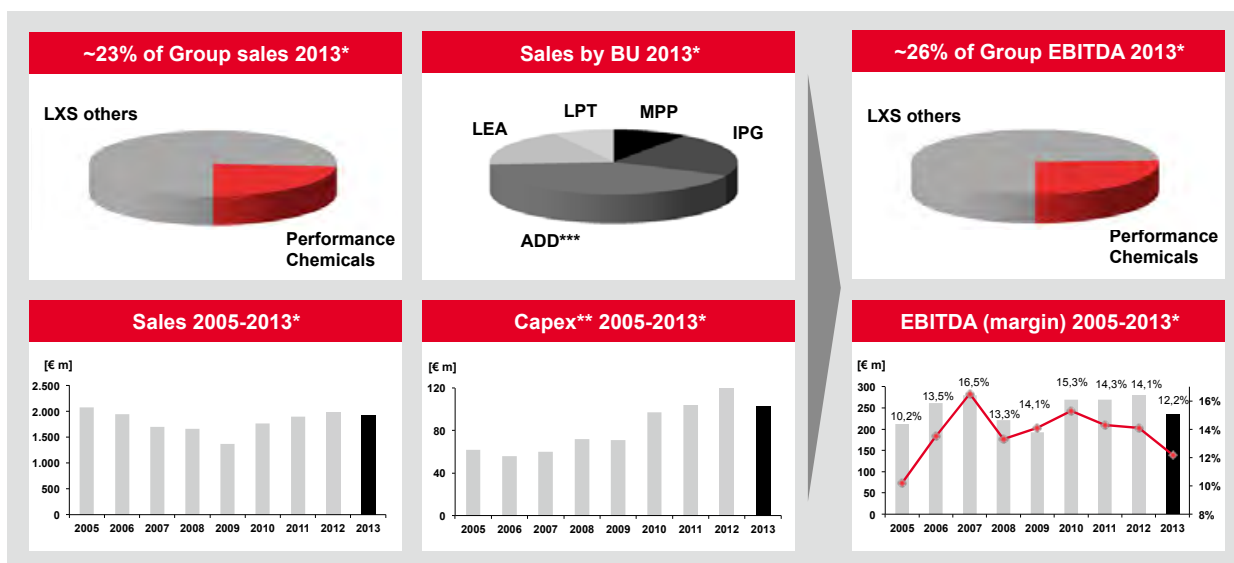
LANXESS Fact Book – Performance Chemicals

Performance Chemicals: Production of application-focused chemicals for a wide range of industries (2/2)

<p style="text-align: center;">Leather</p> 	<p style="text-align: center;">Liquid Purification Technologies</p> 
<ul style="list-style-type: none"> ▪ Supplier with a complete range of products for leather processing (tanning agents, preservatives, finishing auxiliaries, dye products) 	<ul style="list-style-type: none"> ▪ One of the leading global producers of ion exchange resins, adsorbers, functional polymers and reverse osmosis membranes for the treatment and purification of water and other liquids

LANXESS Fact Book – Performance Chemicals

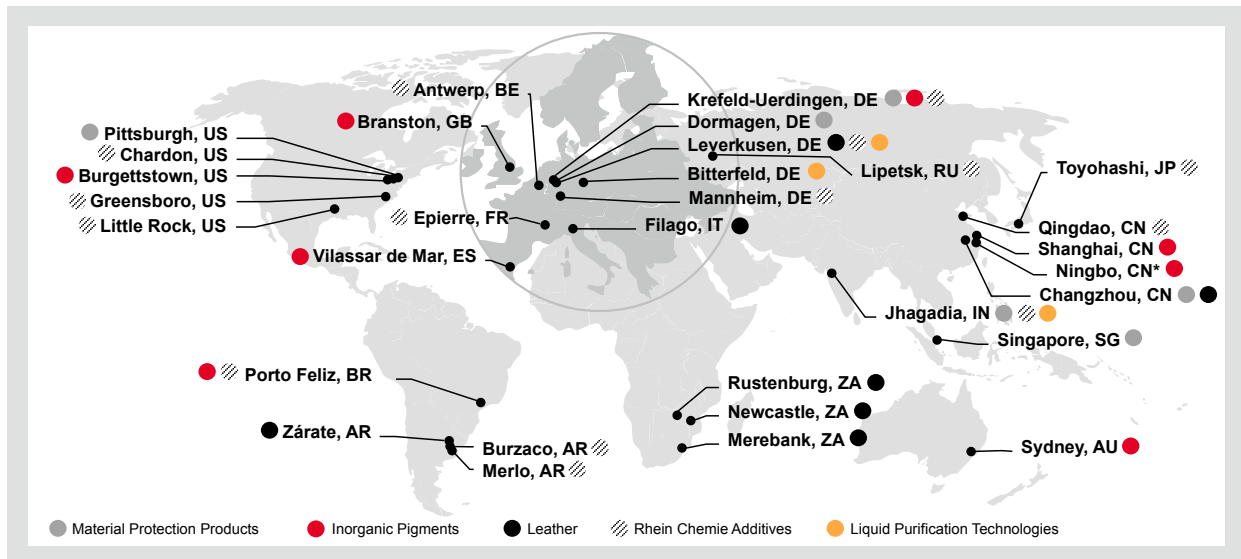
Performance Chemicals: Specialty chemicals for niche markets



All references to EBITDA are pre exceptional; * Operating segments; pro forma restatements with new BU structure; ** Net of capitalized borrowing cost, projects financed by customers and finance lease *** As of January 1, 2015 BU FCC, BU RCH and the specialties product line of BU RUC will be combined to form BU ADD

LANXESS Fact Book – Performance Chemicals

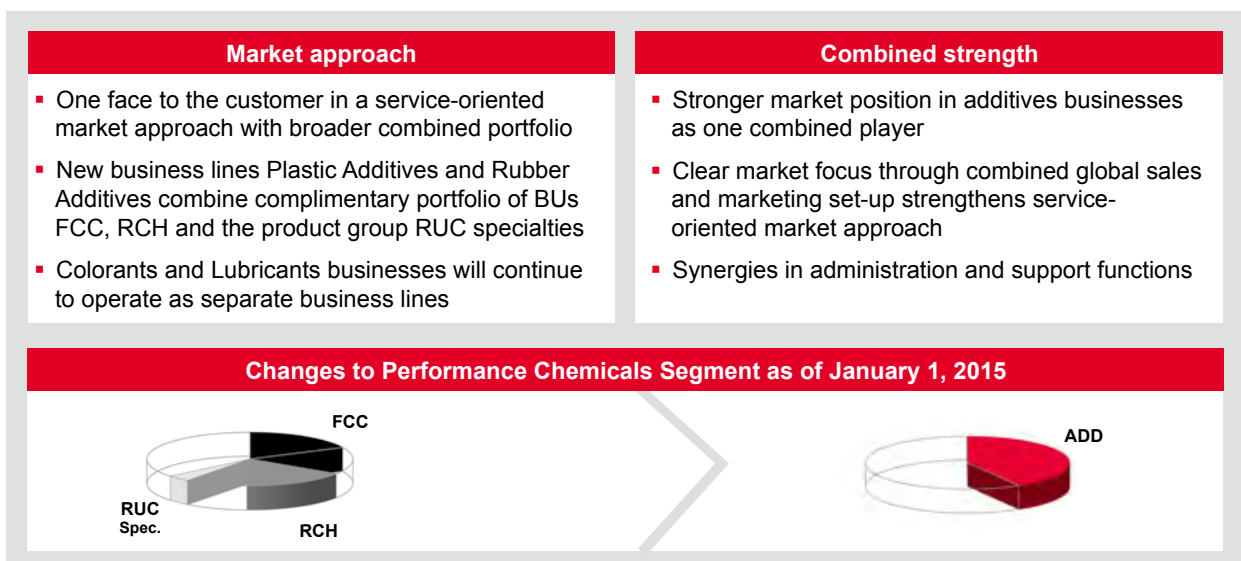
Performance Chemicals has a global manufacturing base



* New iron oxide plant under construction, planned start-up expected for Q1 2016

LANXESS Fact Book – Performance Chemicals

Rhein Chemie Additives builds stronger additives business under one roof



Sales split based on FY 2013

LANXESS Fact Book – Performance Chemicals

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- Performance Chemicals
Material Protection Products
Inorganic Pigments
Rhein Chemie Additives
Leather
Liquid Purification Technologies
3. Financials

LANXESS Fact Book – Performance Chemicals: Material Protection Products

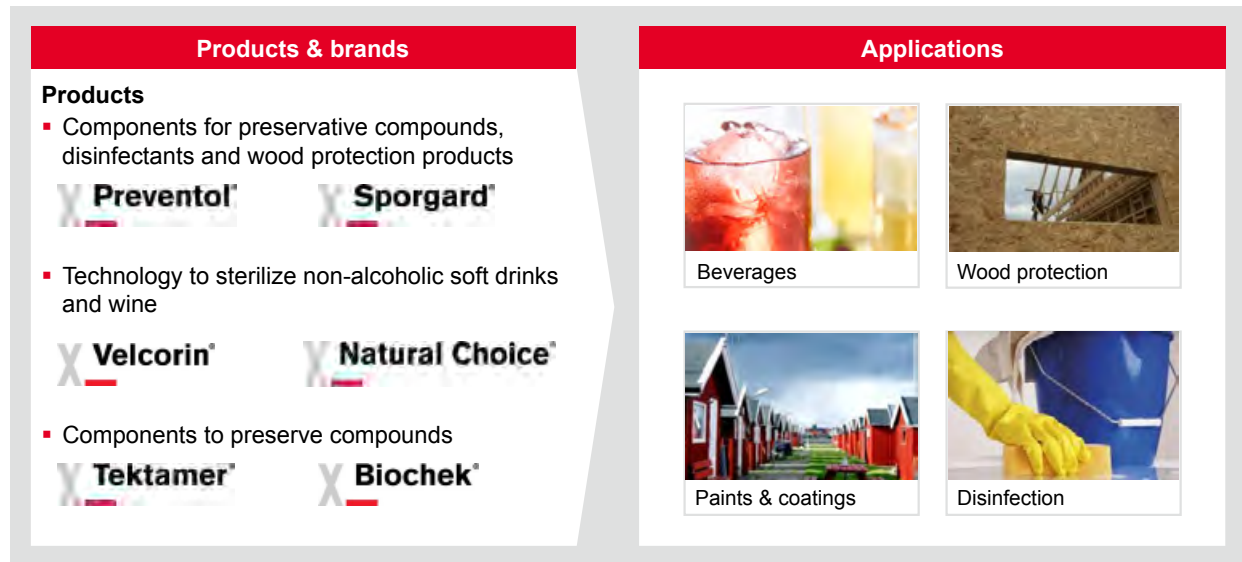
Material Protection Products: Customized solutions to preserve a variety of materials

Overview																					
<p>Key facts</p> <ul style="list-style-type: none"> Material Protection Products offers a wide range of products for microbial control for disinfectants, beverage sterilization, industrial preservation, wood protection, paints and coatings, construction, health and personal care Global customer service organization provides leading technical and regulatory support <p>Production sites</p> <ul style="list-style-type: none"> China: Changzhou Germany: Dormagen, Krefeld-Uerdingen India: Jhagadia Singapore USA: Pittsburgh 	<p>Sales by end use 2013</p> <table border="1"> <tr> <td>Beverages</td> <td>25%</td> </tr> <tr> <td>Construction</td> <td>24%</td> </tr> <tr> <td>Paints & Coatings</td> <td>25%</td> </tr> <tr> <td>Industrial & Others</td> <td>16%</td> </tr> <tr> <td>Disinfection</td> <td>10%</td> </tr> </table> <p>Market demand 2014e</p> <table border="1"> <tr> <td>Asia-Pacific</td> <td>35%</td> </tr> <tr> <td>Germany</td> <td>9%</td> </tr> <tr> <td>EMEA (w/o Germany)</td> <td>19%</td> </tr> <tr> <td>North America</td> <td>30%</td> </tr> <tr> <td>Latin America</td> <td>7%</td> </tr> </table>	Beverages	25%	Construction	24%	Paints & Coatings	25%	Industrial & Others	16%	Disinfection	10%	Asia-Pacific	35%	Germany	9%	EMEA (w/o Germany)	19%	North America	30%	Latin America	7%
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Source: Value estimates by Global Biocide Report BIS 2013, IHS (SRI) Market Report 2014

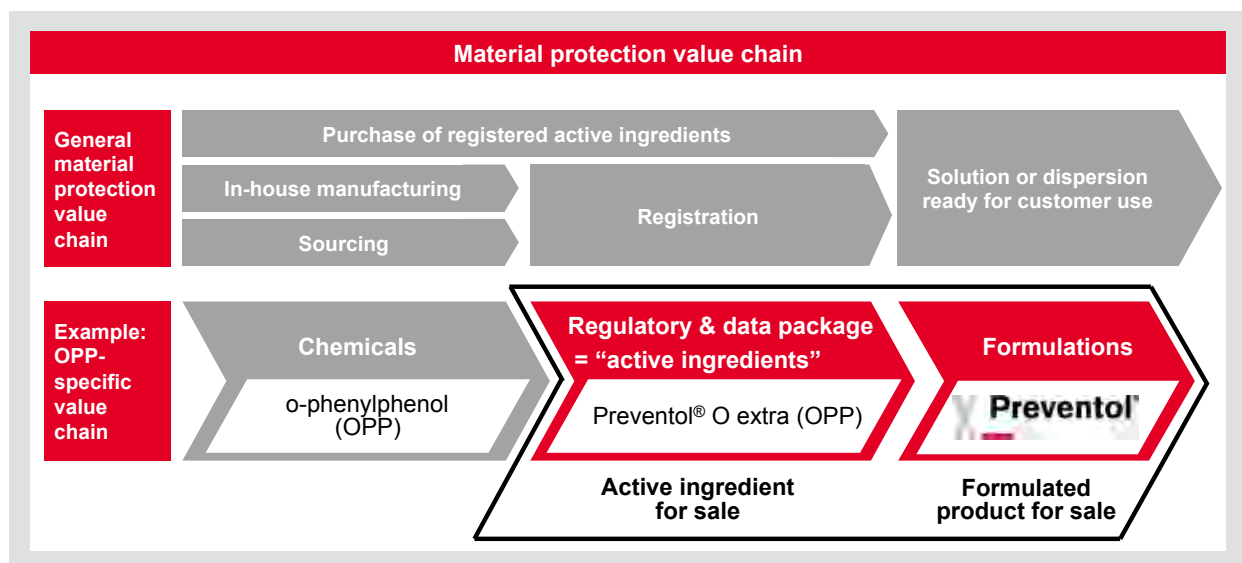
LANXESS Fact Book – Performance Chemicals: Material Protection Products

Material Protection Products offers products and solutions for a broad range of applications



LANXESS Fact Book – Performance Chemicals: Material Protection Products

Material Protection Products: A leading producer of active ingredients and formulations for the protection of materials



LANXESS Fact Book – Performance Chemicals: Material Protection Products

Continued focus on growth at Material Protection Products: A combination of organic and external growth



LANXESS Fact Book – Performance Chemicals: Material Protection Products



Material Protection Products: Benefiting from increasing demand and positive market trends

Market development	Market environment
<p>Total global demand, 2014e</p> <ul style="list-style-type: none"> ▪ Disinfection & Personal Care ~€2.0 bn ▪ Microbial Control ~€2.4 bn <p>Demand growth (CAGR 2014-2019)</p> <ul style="list-style-type: none"> ▪ Global: ~3% - Asia-Pacific: ~4% - Germany: ~2% - EMEA (w/o Germany): ~2% - North America: ~2% - Latin America: ~4% 	<p>Supporting growth trends</p> <ul style="list-style-type: none"> ▪ Urbanization in emerging countries drives growth in construction sector ▪ Trend towards healthier and functional beverages fosters growth of Velcorin® ▪ Increased meat consumption highlights importance of veterinary hygiene <p>Main competitors</p> <ul style="list-style-type: none"> <li style="width: 50%;">▪ Ashland <li style="width: 50%;">▪ Lonza <li style="width: 50%;">▪ BASF <li style="width: 50%;">▪ Thor <li style="width: 50%;">▪ DOW <li style="width: 50%;">▪ Troy

Source: Global Biocide Report BIS 2013, HIS (SRI) Market Report 2014

LANXESS Fact Book – Performance Chemicals: Material Protection Products

Material Protection Products' strength driven by broad and innovative product portfolio and expertise

 Strengths / opportunities	 Weaknesses / challenges
<ul style="list-style-type: none">▪ Broad and innovative portfolio with unique product properties and leading positions in attractive market segments▪ Industry-leading expertise in regulatory affairs, with a broad basis of biocidal registrations▪ Leading global production footprint with formulation sites close to all key markets▪ Global sales and technical service network▪ Leading beverage technology solution▪ Continuous driver in ongoing market consolidation▪ Strong track record in inorganic growth leveraging technical and regulatory know-how	<ul style="list-style-type: none">▪ Low-cost Chinese / Indian competition in commodity-type biocidal ingredients▪ Managing the commoditization of active ingredients▪ Improving upstream integration for selected active ingredients

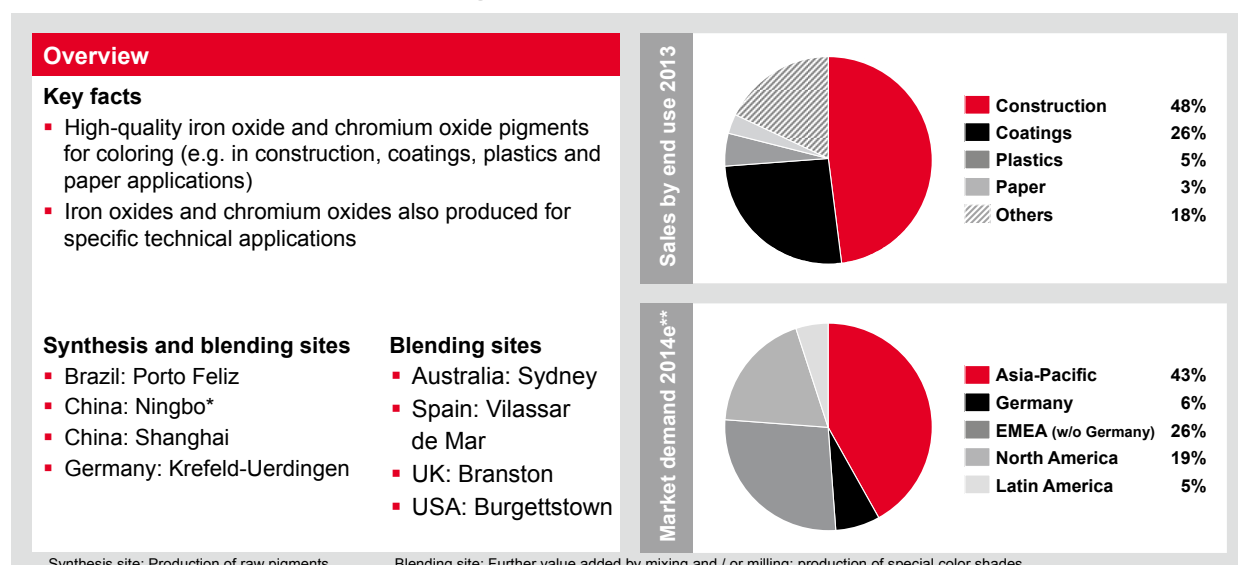
LANXESS Fact Book – Performance Chemicals: Material Protection Products

Agenda

1. LANXESS – Energizing Chemistry
2. Business Segments
– Performance Polymers
– Advanced Intermediates
– Performance Chemicals
Material Protection Products
Inorganic Pigments
Rhein Chemie Additives
Leather
Liquid Purification Technologies
3. Financials

LANXESS Fact Book – Performance Chemicals: Inorganic Pigments



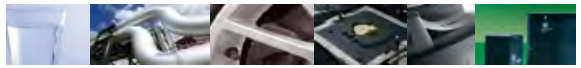
Inorganic Pigments: A global player in high-quality iron oxide and chromium oxide pigments



* Under construction, planned start-up expected for Q1 2016; ** Estimated demand split for iron oxide pigments

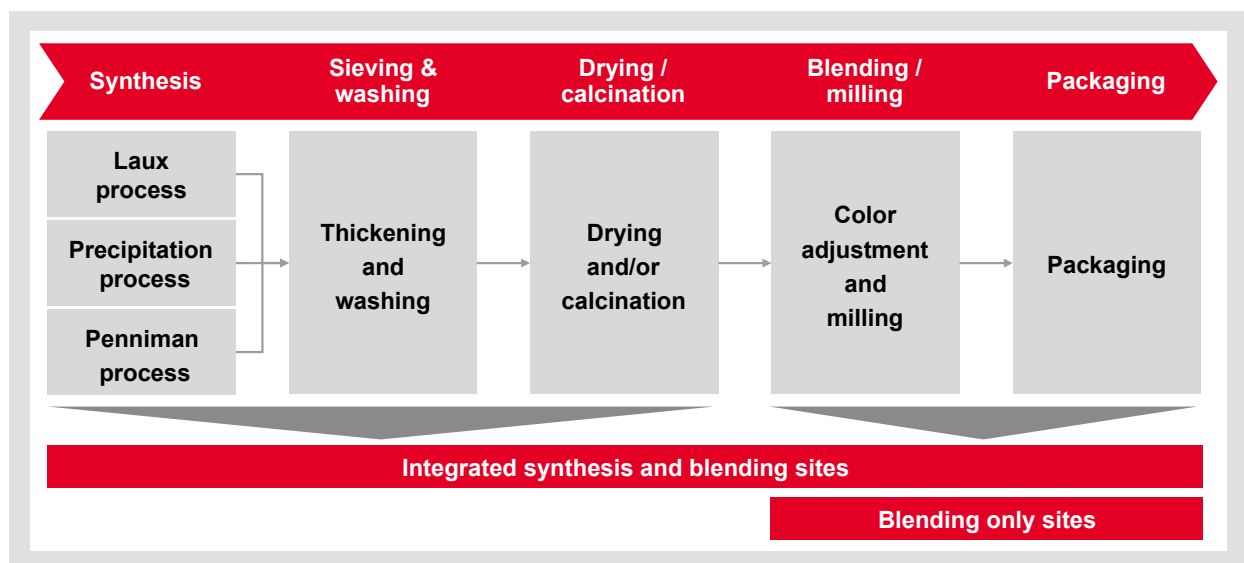
LANXESS Fact Book – Performance Chemicals: Inorganic Pigments

Inorganic pigments are used for coloring and various technical applications

Products & brands	Coloring applications
<ul style="list-style-type: none"> ▪ Iron oxide (red, yellow, black, brown) ▪ Chromium oxide (green) ▪ Main brands: 	
	Technical applications
	













LANXESS Fact Book – Performance Chemicals: Inorganic Pigments

LANXESS Inorganic Pigments covers the full value chain of iron oxide pigments production



LANXESS Fact Book – Performance Chemicals: Inorganic Pigments


Sustainability: Setting new sustainability standards in iron and chromium oxide production as competitive advantage

Sustainability													
<ul style="list-style-type: none"> LANXESS is driver for continuous HSEQ improvements within the iron oxide industry globally Global sustainability approach leads to more environmentally friendly processes and products LANXESS' products are highly efficient, sustainable and do not pose harm to our health or to nature (SCS certificate for recycled content) Focus on sustainability in all production steps brings a competitive advantage 	<table border="1"> <tr> <td>Krefeld-Uerdingen, Germany</td> <td> <ul style="list-style-type: none"> Innovative waste water recycling process Processed water of recovery unit does not require further cleaning </td> <td></td> </tr> <tr> <td>Porto Feliz, Brazil</td> <td> <ul style="list-style-type: none"> CO₂ neutral production of energy by using biomass (Co-Generation plant) Reduction of CO₂ emissions by 44 kt annually </td> <td></td> </tr> <tr> <td>Jinshan, China</td> <td> <ul style="list-style-type: none"> State-of-the-art waste water treatment plant Reduced emissions by improved energy utilization and water management Black plant recycling by-product of yellow production </td> <td></td> </tr> <tr> <td>Ningbo, China*</td> <td> <ul style="list-style-type: none"> Penniman process with optimized waste water treatment and off-gas cleaning Characterized by its particularly high energy efficiency, the plant will meet and exceed latest environmental standards </td> <td></td> </tr> </table>	Krefeld-Uerdingen, Germany	<ul style="list-style-type: none"> Innovative waste water recycling process Processed water of recovery unit does not require further cleaning 		Porto Feliz, Brazil	<ul style="list-style-type: none"> CO₂ neutral production of energy by using biomass (Co-Generation plant) Reduction of CO₂ emissions by 44 kt annually 		Jinshan, China	<ul style="list-style-type: none"> State-of-the-art waste water treatment plant Reduced emissions by improved energy utilization and water management Black plant recycling by-product of yellow production 		Ningbo, China*	<ul style="list-style-type: none"> Penniman process with optimized waste water treatment and off-gas cleaning Characterized by its particularly high energy efficiency, the plant will meet and exceed latest environmental standards 	
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* Under construction, planned start-up expected for Q1 2016

LANXESS Fact Book – Performance Chemicals: Inorganic Pigments







New iron oxide production facility in Ningbo, China: Another role model for the iron oxide industry

New state-of-the-art iron oxide production facility	
	<p>A new 25 kt ton p.a. production facility* is being built in Ningbo, China. This new facility will:</p> <ul style="list-style-type: none"> Set the benchmark for sustainable iron oxide red production Be the first Penniman red plant which uses innovative energy conservation as well as waste water and off-gas treatment processes to minimize all unwanted emissions Increase LANXESS' iron oxide production capacity to meet the growing demand for high quality red iron oxides Extend the broad Bayferrox® product portfolio by enabling LANXESS to produce unique bright, yellow shade reds Consolidate and expand IPG' mixing & milling activities by establishing China's biggest iron oxide pigments processing facility with 70 kt capacity p.a.

* Under construction, planned start-up expected for Q1 2016

LANXESS Fact Book – Performance Chemicals: Inorganic Pigments

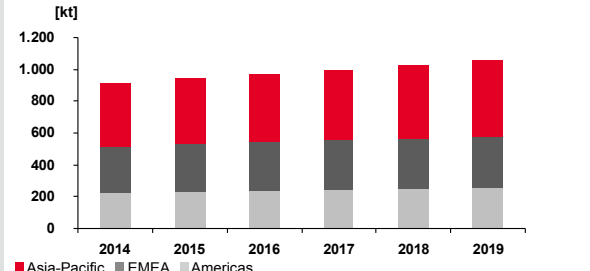
Beyond construction, other application areas for inorganic pigments are developed

<p>Arsenic adsorber</p>	<p>Bayoxide® E33 removes arsenic contaminations from drinking water</p>		<p>FDA compliant pigments</p>	<p>Bayferrox® and Colortherm® pigments for coloring food packaging and other articles for food contact applications</p>	
<p>Li-Ion Batteries for E-mobility</p>	<p>Iron oxide used as raw material for the manufacture of FePO4 as intermediate for the production of LiFePO4 cathodes used in batteries</p>		<p>Colors for cosmetics</p>	<p>Bayferrox® and Colortherm® Z-Grades with high purity fulfill all legal requirements of the cosmetics industry</p>	
<p>Desulfurization of different gases</p>	<p>Iron oxides to remove hydrogen sulfide from various gases (e.g. methane in biogas plants or natural gas)</p>		<p>New Red pigments*</p>	<p>Extend the broad Bayferrox® product portfolio with unique bright, yellow-shade Red Bayferrox® pigments</p>	

* Ningbo plant under construction, planned start-up expected for Q1 2016

LANXESS Fact Book – Performance Chemicals: Inorganic Pigments



Megatrend urbanization and increased awareness of higher sustainability drive demand for LANXESS Inorganic Pigments

<p>Market development</p> <p>Demand 2014-2019 [kt]</p>  <p>■ Asia-Pacific ■ EMEA ■ Americas</p> <p>Demand growth (CAGR 2014-2019)</p> <ul style="list-style-type: none"> Global: ~3% - Asia-Pacific: ~4% - EMEA: ~2% - Americas: ~3% 	<p>Market environment</p> <p>Supporting growth trends</p> <ul style="list-style-type: none"> Urbanization and increasing demand for pigments in emerging markets (e.g. Asia-Pacific and Latin America) Rebound of construction activities in North America and Europe Sustainability and innovation as a competitive edge Consolidation among Chinese iron oxide producers due to stricter enforcement of environmental laws General global trend towards higher-quality products in all application fields <p>Main competitors</p> <ul style="list-style-type: none"> Huntsman (pigment business acquired from Rockwood in 2014) Selected Chinese players: Deqing, Cathay, Yixing
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Source: LANXESS volume estimates based on Global Insight growth indices for application markets, 2014

LANXESS Fact Book – Performance Chemicals: Inorganic Pigments

Competitive advantage with world-scale production capacity, outstanding product quality and sustainable business model

 Strengths / opportunities	 Weaknesses / challenges
<ul style="list-style-type: none">▪ A global technology leader with state-of-the-art world-scale production capacity▪ A top-quality product covering broad range of colors, supply forms and applications▪ Strong and well-established brand name (Bayferrox® synonymous with iron oxides in many markets)▪ Exceptionally sophisticated technical support▪ Global adherence to high environmental standards and principles of sustainability▪ Global distribution network includes own local blending units and best-in-class distribution partners	<ul style="list-style-type: none">▪ Volatile raw material costs▪ Increasing energy costs▪ Volatile currency situation could develop into a disadvantage as the majority of production is based in the euro zone

LANXESS Fact Book – Performance Chemicals: Inorganic Pigments

Agenda

1. LANXESS – Energizing Chemistry

2. Business Segments

- Performance Polymers
- Advanced Intermediates
- **Performance Chemicals**
 - Material Protection Products
 - Inorganic Pigments
 - Rhein Chemie Additives**
 - Leather
 - Liquid Purification Technologies

3. Financials

LANXESS Fact Book – Performance Chemicals: Rhein Chemie Additives

Rhein Chemie Additives offers customized solutions for the rubber, plastic and lubricant industries

Overview

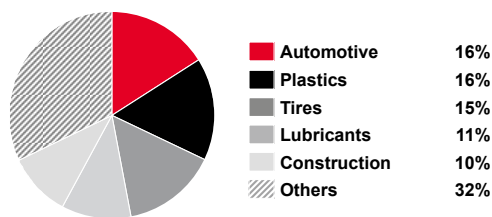
Key facts

- Solution provider for additives in rubber, plastics, construction, colorants and lubricant applications

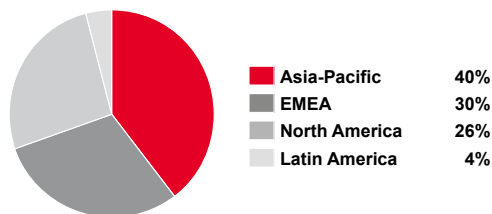
Production sites

- Argentina: Burzaco, Merlo
- Belgium: Antwerp
- Brazil: Porto Feliz
- China: Qingdao
- France: Epierre
- Germany: Leverkusen, Krefeld-Uerdingen, Mannheim
- India: Jhagadia
- Japan: Toyohashi
- Russia: Lipetsk
- USA: Chardon, Little Rock, Greensboro

Sales by end use 2013



Market demand 2014e



Source: LANXESS estimates

LANXESS Fact Book – Performance Chemicals: Rhein Chemie Additives

Four Business Lines with clear focus on relevant additive markets

Rubber Additives	Plastic Additives	Lubricants	Colorants
<ul style="list-style-type: none"> ▪ Polymer-bound additives (Rhenogran®) ▪ High-performance bladders (Rhenoshape®) ▪ Release agents (Rhenodiv®) ▪ Processing promoters (Aktiplast®, Aflux®) ▪ Vulcanization activators (Rhenofit®) ▪ Zinc oxide 	<ul style="list-style-type: none"> ▪ Phthalate-free plasticizers (Mesamoll®, Adimoll®, Ultramoll®) ▪ Flame retardents (Disflamoll®, Levagard®) ▪ Hydrolysis protection (Stabaxol®) ▪ Cross-linkers for various plastic systems (Addolink®) ▪ Water treatment chemicals (Bayhibit®, Baypure®) 	<ul style="list-style-type: none"> ▪ Oil- and water-based solutions for metalworking fluids ▪ Sulfur carriers and anti-wear agents ▪ Additive packages for hydraulics / gears / turbines ▪ Corrosion inhibitors 	<ul style="list-style-type: none"> ▪ Organic dyes (Macrolex®, Bayplast®) ▪ Organic pigment (Pigment Yellow 150)
			

LANXESS Fact Book – Performance Chemicals: Rhein Chemie Additives



Successful pursuit of growth strategy

Rubber Additives	Plastic Additives	Lubricants
<ul style="list-style-type: none"> ▪ New production site for rubber additives, release agents (2013) in Lipetsk, Russia ▪ Expansion of the production capacity for Rhenogran® in Qingdao, China (2013) ▪ New production facility for Rhenoshape® curing bladders (2013) and expansion of Rhenogran® rubber additives in Porto Feliz, Brazil (2014) 	<ul style="list-style-type: none"> ▪ Acquisition of US-based Unitex business with access to additional phthalate-free production capacity and complementary additives portfolio (2011) ▪ Acquisition of Thermphos France, Epierre, a globally leading phosphorus products manufacturer with complementary portfolio (2013) 	<ul style="list-style-type: none"> ▪ Extension of the chemical multi-purpose plant in Mannheim, Germany (2013) ▪ Denison pump testing installation* for the development of hydraulic additive packages (2013) ▪ Opening of the Technical Competence Center for lubricants in Pittsburgh, USA (2012)

* One of only 12 such testing installations worldwide

LANXESS Fact Book – Performance Chemicals: Rhein Chemie Additives

Portfolio for tire manufacturer further extended: permanent bladder coatings in addition to bladders and release agents

Release agents	Bladders	Permanent bladder coatings
<ul style="list-style-type: none"> Preventing the tire from sticking to the mold or bladder during the curing process Enable smooth and cost-efficient tire production process 	<ul style="list-style-type: none"> Used in the manufacture of tires Main raw material: butyl rubber High-performance curing bladders can significantly increase the productivity of a tire plant Trend towards outsourcing of bladder production by major tire companies supports Rhein Chemie Additives' growth prospects Global bladder market ~€300 m, with healthy growth rates in line with tire demand 	<ul style="list-style-type: none"> Improve the efficiency and quality of tire vulcanization Enable tires to be vulcanized without the need for tire spray solutions containing silicones In particular used for tires with run-flat, self-sealing and noise-reducing properties 
<p>Rhein Chemie Additives is the only global player for release agents and bladders with permanent bladder coating for tire manufacturing out of one hand</p>		

LANXESS Fact Book – Performance Chemicals: Rhein Chemie Additives



Rhein Chemie Additives has a leading market position in its main business segments

Market development	Market environment
<p>Total global demand (2014e)</p> <ul style="list-style-type: none"> ~€5 bn <p>Market development (CAGR 2014-2019)</p> <ul style="list-style-type: none"> Global: ~4% - Asia-Pacific: ~6% - EMEA: ~2% - North America: ~2% - Latin America: ~4% 	<p>Supporting growth trends</p> <ul style="list-style-type: none"> Rhein Chemie Additives' growth projects in tires and automotive applications are driven by the megatrend mobility Urbanization megatrend supports construction driven applications in plasticizers and flame retardants Growing demand for green solutions reflected in multiple Rhein Chemie Additives' initiatives such as BioAdimide® as additive for renewable bioplastics <p>Main competitors</p> <ul style="list-style-type: none"> Chemtrend Eastman ICL Lubrizol MLPC / Arkema Group

Source: LANXESS estimates

LANXESS Fact Book – Performance Chemicals: Rhein Chemie Additives

Rhein Chemie Additives provides innovative products, strong service and application expertise in all regions

 Strengths / opportunities	 Weaknesses / challenges
<ul style="list-style-type: none"> ▪ Leading position in rubber additives, phosphorus-based flame retardants, ecologically friendly specialty plasticizers, solvent dyes for plastics and bonding agents ▪ Global sales and technical service network as solution provider, including products that must meet regulatory requirements ▪ Only global player offering release agents and curing bladders from one source with strong local presence ▪ One of the largest and most competitive integrated production facilities for phosphorus chemicals ▪ Well recognized image and strong brands 	<ul style="list-style-type: none"> ▪ Changes to the competitive environment due to further consolidation in the industry and end markets, i.e. cost pressure from the automotive industry ▪ Need for efficient management of high price volatility and availability of raw material ▪ Exposure to mature markets ▪ Permanent increase in competitiveness necessary to address price pressure in commodity segments, especially from Asian competitors

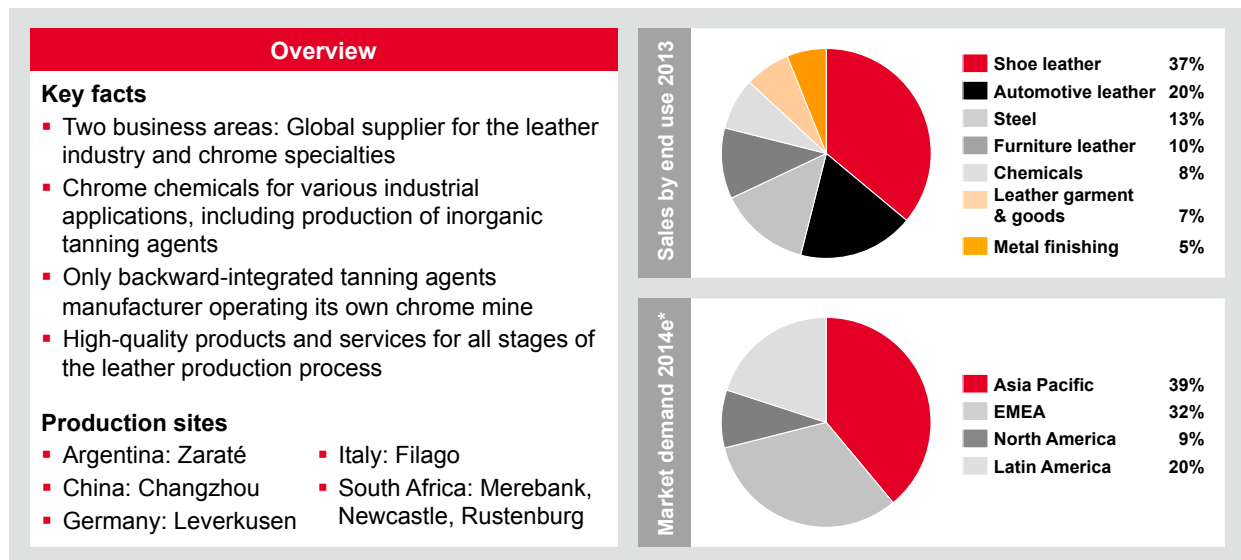
LANXESS Fact Book – Performance Chemicals: Rhein Chemie Additives

Agenda

1. LANXESS – Energizing Chemistry
2. Business Segments
 - Performance Polymers
 - Advanced Intermediates
 - **Performance Chemicals**
 - Material Protection Products
 - Inorganic Pigments
 - Rhein Chemie Additives
 - Leather**
 - Liquid Purification Technologies
3. Financials

LANXESS Fact Book – Performance Chemicals: Leather





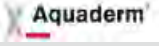

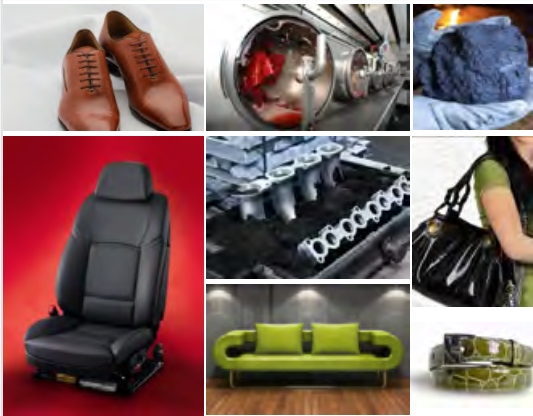
Business Unit Leather: Strong international position in chrome specialties and leather chemicals



* Leather chemicals demand only, excludes other applications such as metal and chemicals

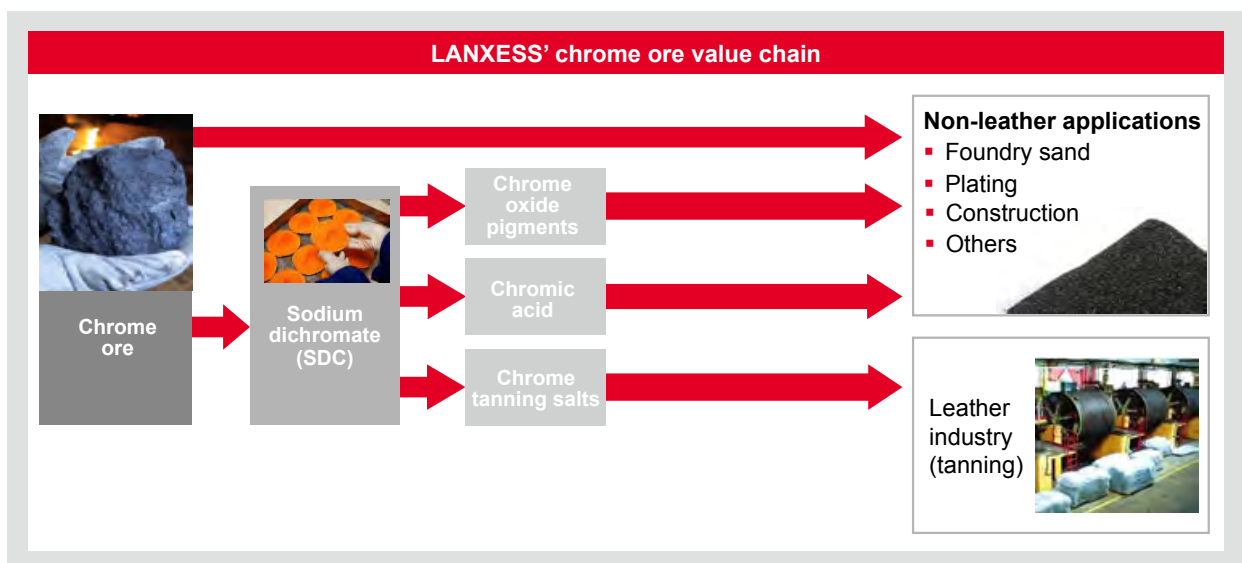
LANXESS Fact Book – Performance Chemicals: Leather

Business Unit Leather offers the full-range product portfolio for leather processing and selected chrome specialties

Products & brands	Applications
<p>Leather chemicals</p> <ul style="list-style-type: none"> ▪ Beamhouse chemicals ▪ Binders ▪ Chrome-free tanning products ▪ Chrome tanning salts ▪ Colorants ▪ Fatliquors ▪ Finishing auxiliaries ▪ Patent leather chemicals ▪ Preservatives ▪ Retanning chemicals <p>Chrome specialties</p> <ul style="list-style-type: none"> ▪ Chrome ore ▪ Sodium dichromate ▪ Chromic acid ▪ Chrome sulphate ▪ Chrome oxide <p>       </p>	

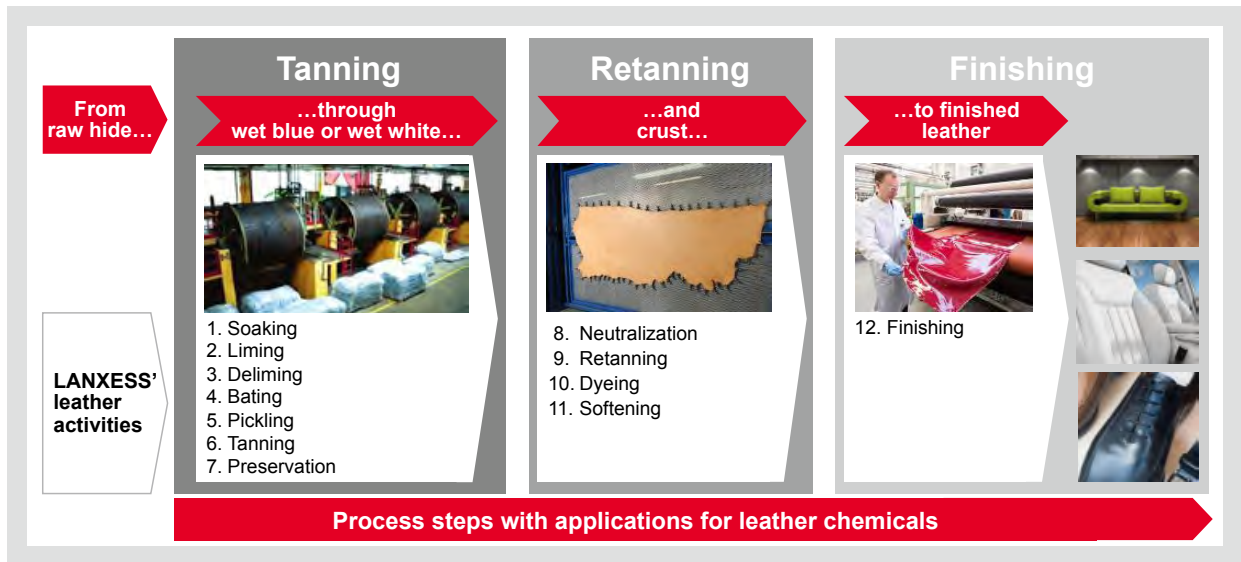
LANXESS Fact Book – Performance Chemicals: Leather

Upstream integration into chrome ore for use in leather and non-leather applications



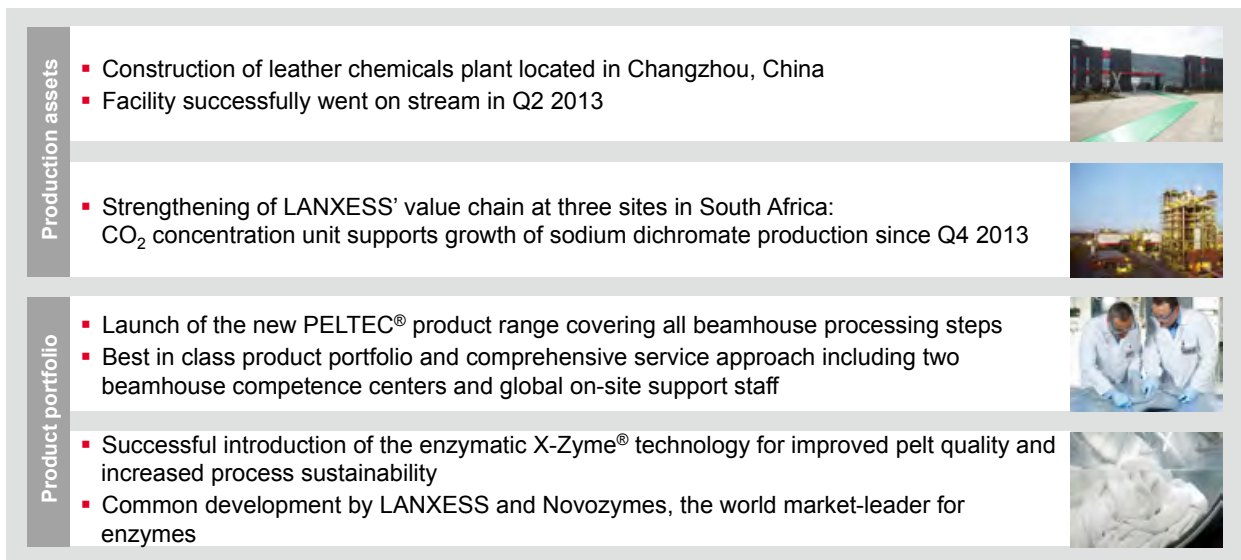
LANXESS Fact Book – Performance Chemicals: Leather

Well-balanced portfolio of leather chemicals as one-stop shop



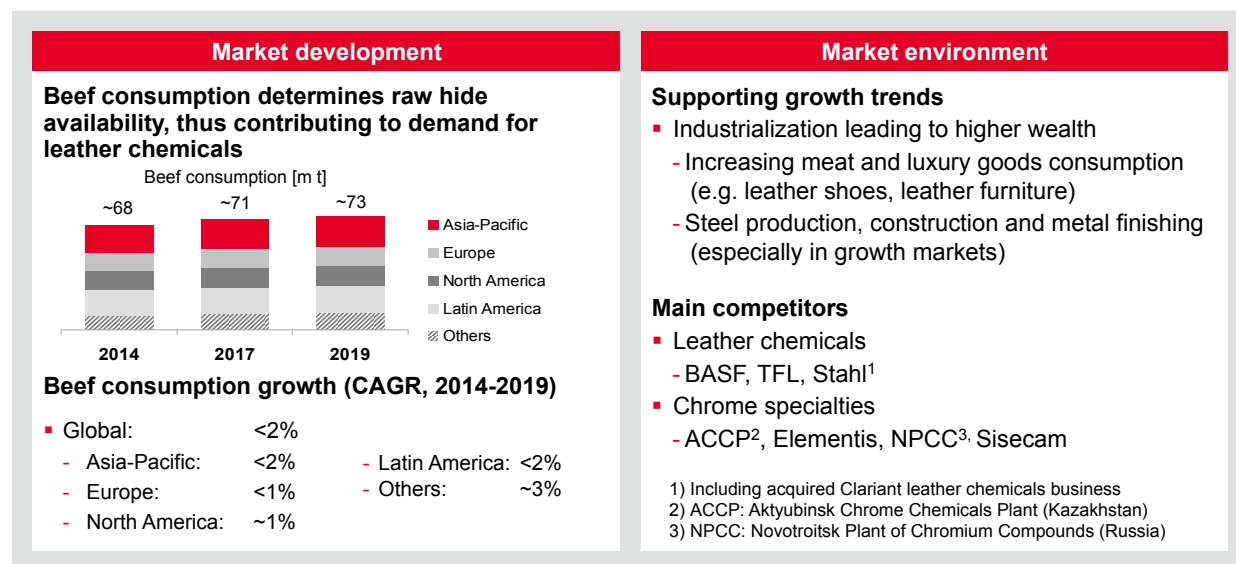
LANXESS Fact Book – Performance Chemicals: Leather

Targeted investments in key markets (e.g. China) and development of new leather product technologies



LANXESS Fact Book – Performance Chemicals: Leather

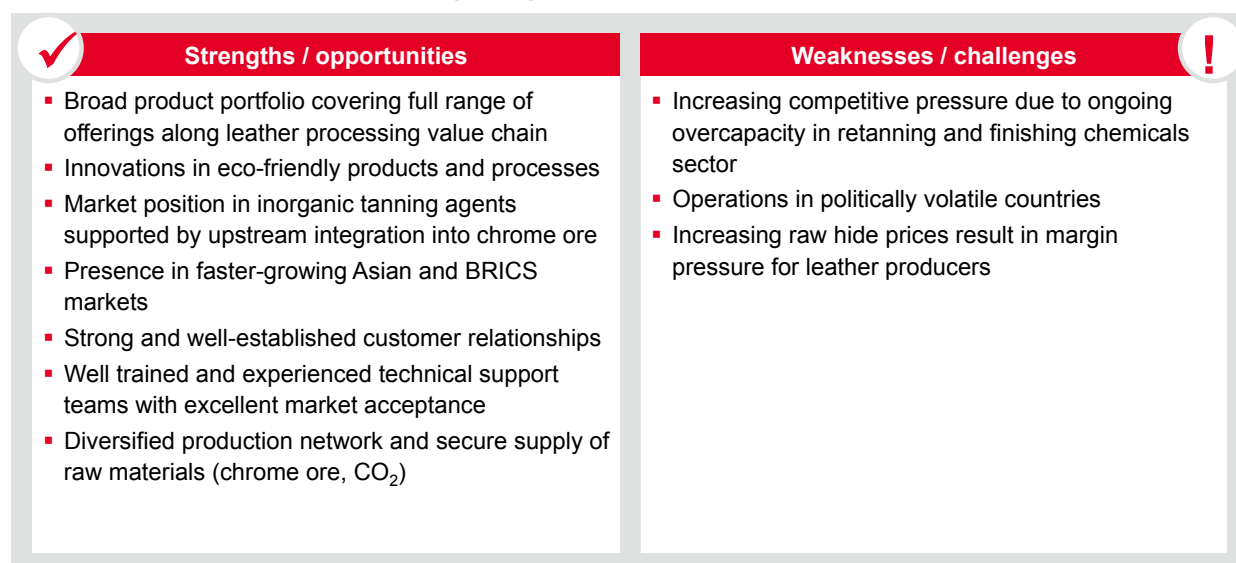
Key leather markets growing in line with increasing industrialization, especially in BRICS countries



Source: OECD-FAO 2014

LANXESS Fact Book – Performance Chemicals: Leather

Strong position due to innovation capabilities and diversity in product portfolio and geographies



LANXESS Fact Book – Performance Chemicals: Leather

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 - Leather
 - Liquid Purification Technologies**

3. Financials

LANXESS Fact Book – Performance Chemicals: Liquid Purification Technologies

Liquid Purification Technologies: A leading global supplier for various industries and applications

Overview

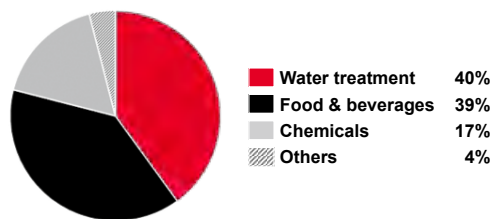
Key facts

- One of the world's leading producers of ion exchange resins, with more than 75 years of experience
- Leadership in monodisperse and chelating technologies
- State-of-the-art reverse osmosis membrane technology
- Excellent technical marketing expertise and reputation as a service-solution provider

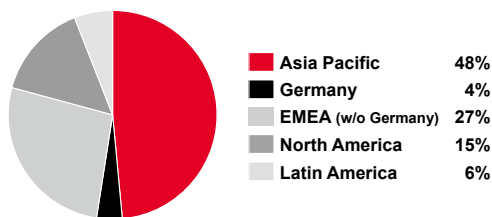
Production sites

- Germany: Bitterfeld, Leverkusen
- India: Jhagadia

Sales by end use 2013



Market demand 2014e



Source: LANXESS estimates, 2014

LANXESS Fact Book – Performance Chemicals: Liquid Purification Technologies

Comprehensive product portfolio provides advanced solutions for treatment of liquids

Products & brands	Applications
<p>Products</p> <ul style="list-style-type: none"> Ion exchange resins, adsorbers and functional polymers Reverse osmosis membrane elements Supported by engineering design software for both ion exchange and reverse osmosis equipment dimensioning <p>Lewatit® Lewabrane® LewaPlus®</p> <p>Main usage</p> <ul style="list-style-type: none"> Water softening and demineralization High-purity water Ground-, waste and drinking water treatment Hydrometallurgy, mining Food and beverage industries Desalination of seawater 	

LANXESS Fact Book – Performance Chemicals: Liquid Purification Technologies

Ion exchange resins: Production process is conducive to a variety of applications

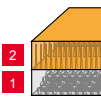
Production process			Product properties
<p>Suspension of monomer droplets</p>	<p>Polymerization: From droplets to small polymer beads which are made up of a network of polymer chains</p>	<p>Functional groups are applied to the beads</p>	<ul style="list-style-type: none"> High technical and application know-how needed to produce premium products Ion exchange resins can be cleaned and regenerated for many applications
Different functional groups for different applications (example)			
	<p>Purification functional group</p> $\text{—CH}_2\text{—N} \begin{cases} \text{CH}_2\text{—CO}_2\text{Na} \\ \text{CH}_2\text{—CO}_2\text{Na} \end{cases}$		<p>Catalysis functional group</p> $\text{—SO}_3\text{H}$
			<p>Softening functional group</p> $\text{—CO}_2\text{H}$

LANXESS Fact Book – Performance Chemicals: Liquid Purification Technologies

Reverse osmosis membranes: State-of-the-art production process ensures premium quality

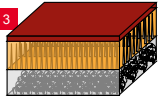
Lewabrane® reverse osmosis element production process

Polysulfone coating on non-woven




1 Non-woven

Polyamide coating on polysulfone layer




2 Polysulfone (PS) layer

Winding / assembly



Quality control



3 Polyamide (PA) layer

Lewabrane® reverse osmosis produced with German technology

- Re-engineered production process (chemistry and equipment)
- German technical and production standards


- Polysulfone polymer is uniformly coated on a non-woven sheet
- Formation of a thin polyamide barrier layer by interfacial polymerization
- Winding of reverse osmosis membrane leaves to form a spiral wound element
- Each reverse osmosis element is checked based on industrial standards in an element tester

LANXESS Fact Book – Performance Chemicals: Liquid Purification Technologies

Growth markets captured through product and service innovation, new applications and additional investments


Key market growth drivers

Water




- Drinking, high-purity, ground, waste and process water demands growing

Food






- Increasing demand for processed food, sugar and sweeteners as population grows

Chemicals & Catalysis



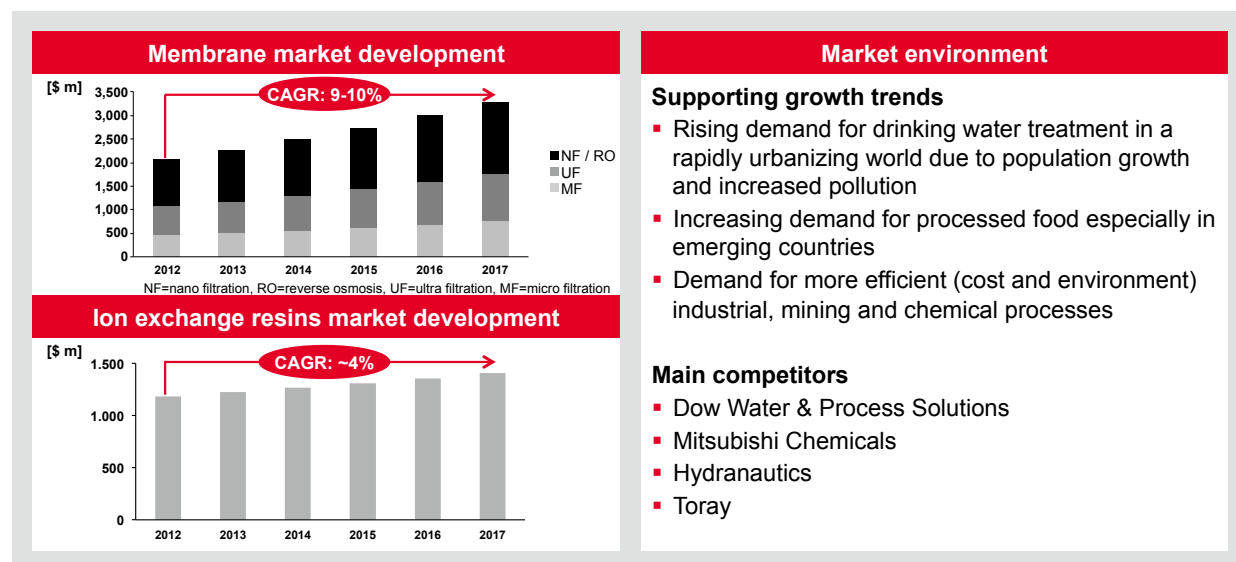
- Chelating resins and adsorbers for removing contaminants

Investments and product innovation

- Additional weak acidic cation exchange resins production capacity for drinking water (Leverkusen) 
- New state-of-the-art facility for food-grade filling and packaging (Leverkusen) 
- Sea water reverse osmosis, spiral-wound elements introduced (Bitterfeld) 

LANXESS Fact Book – Performance Chemicals: Liquid Purification Technologies

Ion exchange resins and membrane technology benefiting from momentum of global trends



Source: LANXESS estimate based on Mcllvaine and SRI data

LANXESS Fact Book – Performance Chemicals: Liquid Purification Technologies

Market environment

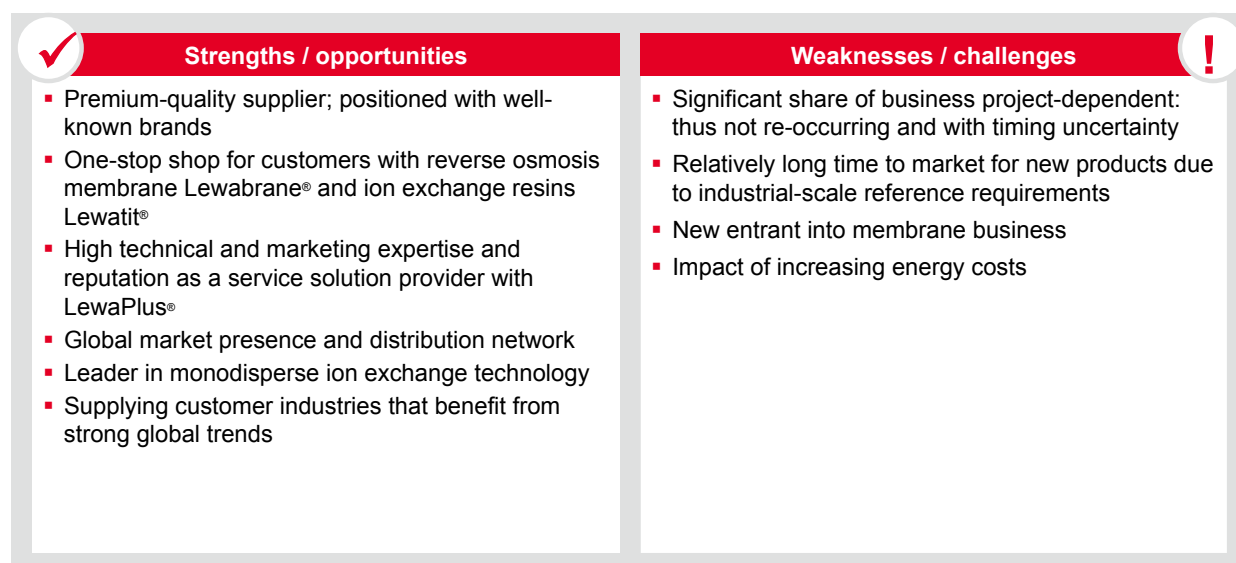
Supporting growth trends

- Rising demand for drinking water treatment in a rapidly urbanizing world due to population growth and increased pollution
- Increasing demand for processed food especially in emerging countries
- Demand for more efficient (cost and environment) industrial, mining and chemical processes

Main competitors

- Dow Water & Process Solutions
- Mitsubishi Chemicals
- Hydranautics
- Toray

By entering the membrane business, LANXESS now provides customers with a one-stop shop



LANXESS Fact Book – Performance Chemicals: Liquid Purification Technologies

Financials

Agenda

1. LANXESS – Energizing Chemistry

2. Business Segments

3. Financials

- **History**
- **Quarterly overview**
- **Financing**
- **Procurement**

LANXESS Fact Book – Financials

Balance Sheet – 10 years overview

Balance Sheet LANXESS (€ m)	Jun. 30. 2014	Dec. 31. 2013	Dec. 31. 2012*	Dec. 31. 2011	Dec. 31. 2010	Dec. 31. 2009	Dec. 31. 2008	Dec. 31. 2007	Dec. 31. 2006	Dec. 31. 2005	Dec. 31. 2004
Intangible assets	319	323	390	373	226	196	145	33	41	53	65
Property, plant and equipment	3,000	2,903	2,994	2,679	2,131	1,809	1,646	1,459	1,465	1,526	1,521
Investment in associate	17	12	8	12	13	26	49	33	5	22	44
Investments in other affiliated companies	13	13	18	19	8	1	2	1	4	4	4
Non-current derivative financial assets	10	20	16	8	3	16	43				
Other non-current financial assets	13	11	8	82	74	79	72	85	37	48	53
Deferred taxes	283	254	211	196	170	163	137	93	84	103	172
Other non-current assets	62	56	102	120	113	92	134	102	94	79	129
Non-current assets	3,717	3,592	3,747	3,489	2,738	2,382	2,228	1,806	1,730	1,835	1,988
Inventories	1,477	1,299	1,527	1,386	1,094	849	1,048	895	1,047	1,068	1,151
Trade receivables	1,152	1,070	1,117	1,146	942	733	725	809	924	1,065	1,137
Near cash assets	269	106	411	350	364	402					
Cash and cash equivalents	301	427	386	178	160	313	249	189	171	136	72
Current derivative financial assets	27	58	28	8	19	29	34				
Other current financial assets	5	6	6	27	58	146	155	200	113	37	24
Other current assets	248	253	297	294	291	214	212	150	220	200	205
Current assets	3,479	3,219	3,772	3,389	2,928	2,686	2,423	2,243	2,475	2,506	2,589
Total assets	7,196	6,811	7,519	6,878	5,666	5,068	4,651	4,049	4,205	4,341	4,577
Capital stock and capital reserves	1,317	889	889	889	889	889	889	889	889	889	836
Other reserves	1,406	1,690	1,238	943	699	818	840	811	685	748	896
Net income	80	-159	508	506	379	40	171	112	197	-63	-12
Accumulated other comprehensive loss	-482	-525	-321	-280	-221	-315	-509	-304	-368	-335	-369
Equity attributable to minority interest	3	5	16	16	15	13	16	17	25	17	14
Stockholders equity	2,324	1,900	2,330	2,074	1,761	1,445	1,407	1,525	1,428	1,256	1,365
Provisions for pensions and other post-employment benefits	1,083	943	893	679	605	569	483	470	520	497	418
Other non-current provisions	269	258	304	331	351	307	261	242	271	302	230
Non-current derivative financial liabilities	3	12	4	13	11	4	30				
Other non-current financial liabilities	1,774	1,649	2,167	1,465	1,302	1,462	983	601	632	644	131
Non-current tax liabilities	39	49	35	63	50	47	91	36	38	26	8
Other non-current liabilities	83	89	74	89	95	77	46	47	36	32	36
Deferred taxes	30	29	82	75	40	38	47	60	57	75	55
Non-current liabilities	3,281	3,029	3,559	2,715	2,454	2,504	1,941	1,456	1,554	1,576	878
Other current provision	387	355	440	446	422	352	395	371	354	401	225
Current derivative financial liabilities	15	22	10	40	23	26	79				
Current financial liabilities	316	668	167	633	176	94	168	65	50	172	1,076
Trade payables	694	690	795	766	664	486	484	487	602	694	820
Current tax liabilities	60	21	45	49	34	52	12	16	36	27	18
Other current liabilities	119	126	173	155	132	109	162	129	181	215	195
Current liabilities	1,591	1,882	1,630	2,089	1,451	1,119	1,300	1,068	1,223	1,509	2,334
Total equity and liabilities	7,196	6,811	7,519	6,878	5,666	5,068	4,648	4,049	4,205	4,341	4,577

* Restated as per IAS 19 revised

P&L – 9 years overview

P&L Statement LANXESS (€ m)	H1 14	2013	2012	2011	2010	2009	2008	2007	2006	2005
Net sales	4,062	8,300	9,094	8,775	7,120	5,057	6,576	6,608	6,944	7,150
Cost of goods sold	-3,205	-6,752	-6,988	-6,765	-5,381	-3,956	-5,115	-5,147	-5,404	-5,537
Gross Profit	857	1,548	2,106	2,010	1,739	1,101	1,461	1,461	1,540	1,613
Gross Margin	21.1%	18.7%	23.2%	22.9%	24.4%	21.8%	22.2%	22.1%	22.2%	22.6%
Selling expenses	-374	-755	-763	-732	-646	-530	-658	-659	-766	-863
R&D expenses	-85	-186	-192	-144	-116	-101	-97	-88	-87	-101
G&A expenses	-145	-301	-339	-325	-298	-235	-270	-256	-254	-285
Other operating income	65	128	186	179	189	237	404	317	243	155
Other operating expenses	-121	-527	-190	-212	-261	-323	-517	-560	-300	-491
<i>Other operating income - net</i>	<i>-56</i>	<i>-399</i>	<i>-4</i>	<i>-33</i>	<i>-72</i>	<i>-86</i>	<i>-113</i>	<i>-243</i>	<i>-57</i>	<i>-336</i>
Operating Result (EBIT)	197	-93	808	776	607	149	323	215	376	28
Income/expense from investments in affiliated companies - net	5	0	1	7	16	8	21	-1	-16	-32
Interest expense - net	-39	-106	-96	-93	-83	-73	-36	-20	-23	-41
Other financial result - net	-31	-40	-53	-35	-47	-52	-62	-22	-50	-72
Financial result	-65	-146	-148	-121	-114	-117	-77	-43	-89	-145
Earnings before taxes (EBT)	132	-239	660	655	493	32	246	172	287	-117
Income taxes	-54	71	-151	-148	-112	7	-63	-60	-85	63
Earnings after taxes	78	-168	509	507	381	39	183	112	202	-54
Minorities	2	9	-1	-1	-2	1	0	0	-5	-9
Net income (loss)	80	-159	508	506	379	40	183	112	197	-63
Earnings per share (€)	0.93	-1.91	6.11	6.08	4.56	0.48	2.20	1.32	2.33	-0.75
EBIT	197	-93	808	776	607	149	323	215	376	28
EBITDA	399	624	1,186	1,101	890	422	602	513	638	341
Exceptionals	46	381	39	50	28	55	139	257	45	304
D&A in exceptionals	1	270	2	5	0	12	19	51	8	64
EBITDA pre exceptionals	444	735	1,223	1,146	918	465	722	719	675	581

Segment Data – 9 years overview

	H1 14	2013	2012	2011	2010	2009	2008	2007	2006	2005
Performance Polymers Key Figures (€ m)										
Sales	2,099	4,486	5,176	5,059	3,692	2,388	3,280	2,680	2,571	2,425
EBIT	120	-117	599	598	408	105	208	273	238	152
Depreciation & Amortization	107	489	209	161	141	137	139	103	100	92
EBITDA	227	372	808	759	549	242	347	376	338	244
Exceptionals	13	252	9	9	-1	9	77	0	2	43
D&A in exceptionals	1	235	0	0	0	1	11	0	0	0
EBITDA pre exceptionals	239	389	817	768	548	250	413	376	340	287
Advanced Intermediates Key Figures (€ m)*										
Sales	927	1,858	1,893	1,786	1,630	1,265	1,581	1,481	1,405	1,443
EBIT	99	146	224	184	204	76	154	126	156	118
Depreciation & Amortization	46	115	78	80	66	56	52	46	47	65
EBITDA	145	261	302	264	270	132	206	172	203	183
Exceptionals	5	52	7	23	1	11	0	7	1	42
D&A in exceptionals	0	30	2	4	0	0	0	0	0	14
EBITDA pre exceptionals	150	283	307	283	271	143	206	179	204	211
Performance Chemicals Key Figures (€ m)*										
Sales	1,014	1,921	1,984	1,889	1,759	1,369	1,659	1,693	1,940	2,069
EBIT	98	118	197	202	206	119	117	194	180	129
Depreciation & Amortization	41	89	76	68	59	63	74	79	81	83
EBITDA	139	207	273	270	265	182	191	273	261	212
Exceptionals	10	32	6	0	4	17	38	9	0	0
D&A in exceptionals	0	5	0	0	0	6	8	2	0	0
EBITDA pre exceptionals	149	234	279	270	269	193	221	280	261	212
Reconciliation Key Figures (€ m)										
Sales	22	35	41	41	39	35	56	86	115	223
EBIT	-120	-240	-212	-208	-211	-151	-157	-202	-208	-337
Depreciation & Amortization	8	24	15	16	17	17	14	19	33	46
EBITDA	-112	-216	-197	-192	-194	-134	-142	-183	-175	-291
Exceptionals	18	45	17	18	24	18	24	45	42	196
D&A in exceptionals	0	0	0	1	0	5	0	-2	8	27
EBITDA pre exceptionals	-94	-171	-180	-175	-170	-121	-118	-136	-141	-122

* Unaudited pro forma restatement of segments AI & PC reflecting integration of BU RUC Antioxidant and Accelerator businesses into BU All

Development of key financial figures over the last quarters

Performance Polymers Key Figures (€ m)	Q2 14	Q1 14	2013	Q4 13	Q3 13	Q2 13	Q1 13	2012	Q4 12	Q3 12	Q2 12	Q1 12
	Sales	1,036	1,063	4,486	1,082	1,092	1,178	1,134	5,176	1,166	1,192	1,427
EBIT	68	52	-117	-211	13	29	52	599	89	98	206	206
Depreciation & Amortization	51	56	489	301	63	65	60	209	58	53	50	48
EBITDA	119	108	372	90	76	94	112	808	147	151	256	254
Exceptionals	4	9	252	244	8	0	0	9	6	1	1	1
D&A in exceptionals	1	0	235	235	0	0	0	0	0	0	0	0
EBITDA pre exceptionals	122	117	389	99	84	94	112	817	153	152	257	255

Advanced Intermediates Key Figures (€ m)*	Q2 14	Q1 14	2013	Q4 13	Q3 13	Q2 13	Q1 13	2012	Q4 12	Q3 12	Q2 12	Q1 12
	Sales	454	473	1,858	467	458	447	486	1,893	495	457	456
EBIT	54	45	146	22	52	23	49	224	66	55	46	57
Depreciation & Amortization	23	23	115	48	21	27	19	78	20	18	21	19
EBITDA	77	68	261	70	73	50	68	302	86	73	67	76
Exceptionals	1	4	52	27	-1	25	1	7	-6	0	14	-1
D&A in exceptionals	0	0	30	25	0	5	0	2	0	0	2	0
EBITDA pre exceptionals	78	72	283	72	72	70	69	307	80	73	79	75

Performance Chemicals Key Figures (€ m)*	Q2 14	Q1 14	2013	Q4 13	Q3 13	Q2 13	Q1 13	2012	Q4 12	Q3 12	Q2 12	Q1 12
	Sales	518	496	1,921	456	491	507	467	1,984	453	501	528
EBIT	57	41	118	-8	50	42	34	197	25	57	56	59
Depreciation & Amortization	21	20	89	30	20	20	19	76	19	20	19	18
EBITDA	78	61	207	22	70	62	53	273	44	77	75	77
Exceptionals	3	7	32	21	1	10	0	6	2	0	3	1
D&A in exceptionals	0	0	5	4	0	1	0	0	0	0	0	0
EBITDA pre exceptionals	81	68	234	39	71	71	53	279	46	77	78	78

Reconciliation Key Figures (€ m)	Q2 14	Q1 14	2013	Q4 13	Q3 13	Q2 13	Q1 13	2012	Q4 12	Q3 12	Q2 12	Q1 12
	Sales	11	11	35	9	9	9	8	41	9	9	13
EBIT	-57	-63	-240	-65	-63	-44	-68	-212	-55	-54	-58	-45
Depreciation & Amortization	4	4	24	6	10	4	4	15	5	4	3	3
EBITDA	-53	-59	-216	-59	-53	-40	-64	-197	-50	-50	-55	-42
Exceptionals	11	7	45	25	13	3	4	17	9	3	2	3
D&A in exceptionals	0	0	0	0	0	0	0	0	0	0	0	0
EBITDA pre exceptionals	-42	-52	-171	-34	-40	-37	-60	-180	-41	-47	-53	-39

* Unaudited pro forma restatement of segments AI & PC reflecting integration of BU RUC Antioxidant and Accelerator businesses into BU All

Conservative financial policy and centralized risk management

- Centralized management of all relevant risks
 - Liquidity & refinancing
 - Foreign exchange and interest rates
 - Counterparty risk
 - Customer credit risk
- Support operative business by managing non-operative risks (i.e. insurance)
- Pension risk management



Our active risk management aims at the reduction of financial and operational volatilities

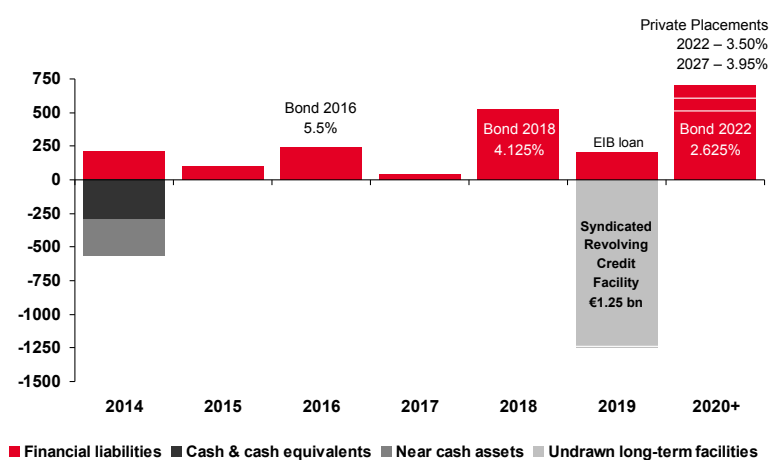
LANXESS Fact Book – Financials: Financing

A well managed and conservative maturity profile

Long-term financing secured

- Diversified financing sources
 - Bonds
 - Private placements
 - Syndicated credit facility
 - Development banks
 - Bilateral bank facilities
- €500 m bond maturity in April 2014 was funded by cash and €200 m EIB facility
- Average €-funding interest rate below 4%
- All group financings without financial covenants

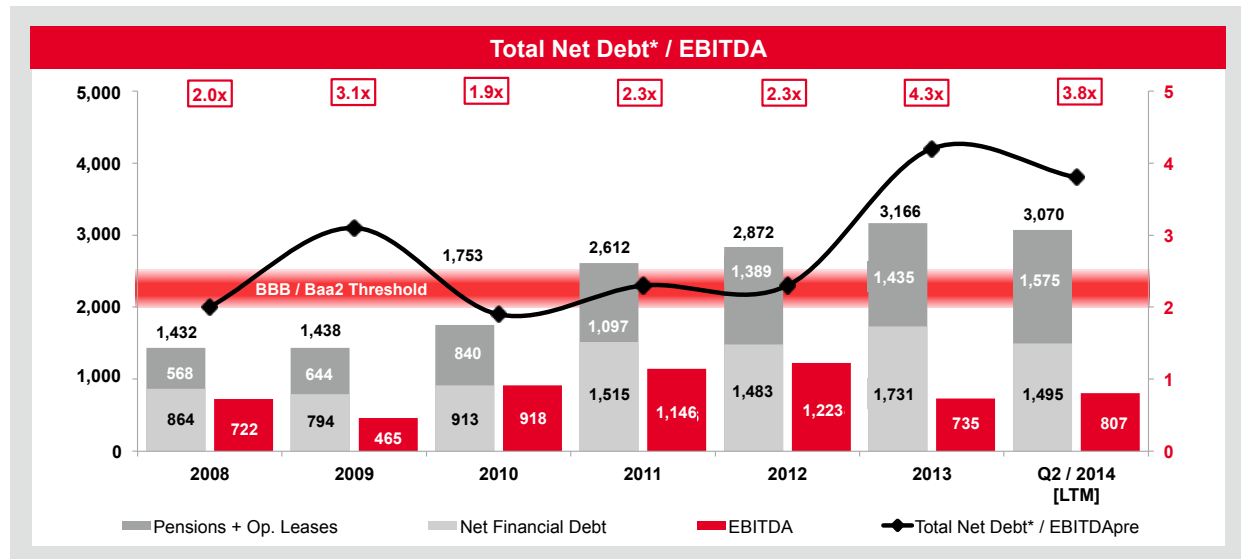
Liquidity and maturity profile as per June 2014



EIB = European Investment Bank

LANXESS Fact Book – Financials: Financing

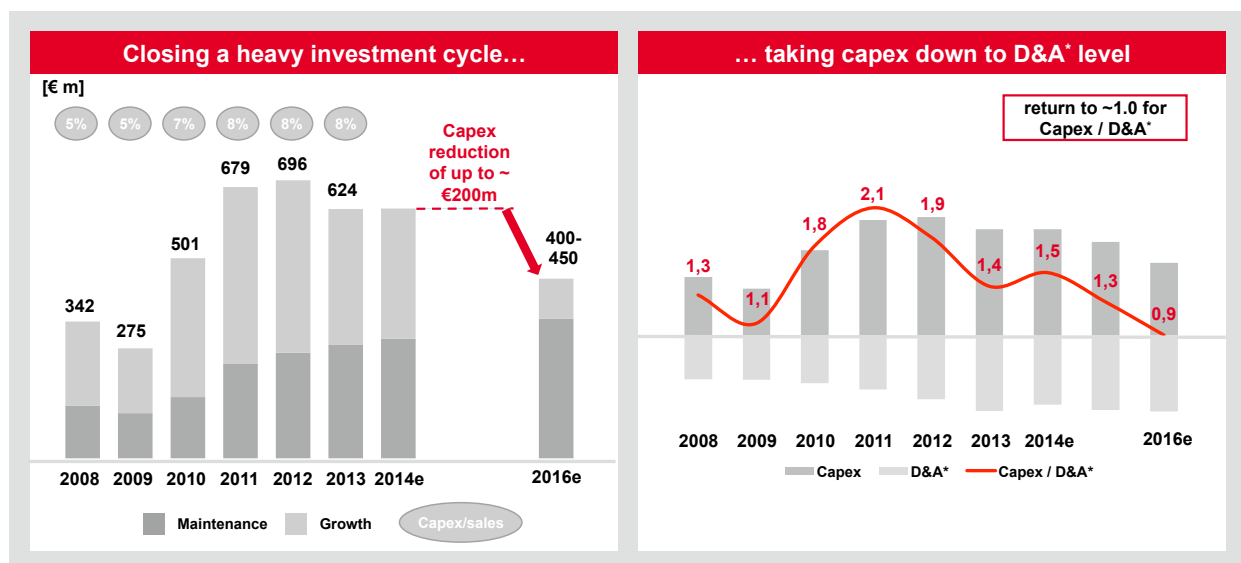
LANXESS is committed to return to track-record of prudent financial leverage in line with rating targets



All references to EBITDA are pre exceptional; * All references to total net debt = financial debt – cash + pensions + operating leases. Pensions are provisions on balance sheet, operating leases are included with amount of minimum future payments (as per FY 2013)

LANXESS Fact Book – Financials: Financing

Capex cycle ends – changed cash profile should enable future growth



* Before exceptional items

LANXESS Fact Book – Financials: Financing


Investment grade rating target fulfilled since 2004

Credit rating history						
	2009	2010	2011	2012	2013	2014
Standard & Poor's	BBB/ stable 28.05.2009	BBB/ stable 01.09.2010	BBB/ stable 23.08.2011	BBB/ stable 31.08.2012	BBB/ negative 27.06.2013	BBB-/ stable 19.05.2014
Moody's Investors Service	Baa2/ stable 26.05.2009	Baa2/ stable 19.05.2010	Baa2/ stable 23.11.2011	Baa2/ stable 26.09.2012	Baa2/ negative 14.08.2013	Baa3/ stable 20.06.2014
Fitch Ratings	BBB/ stable 20.07.2009	BBB/ stable 17.12.2010	BBB/ stable 22.11.2011	BBB/ stable 13.09.2012	BBB/ negative 15.08.2013	BBB-/ stable 18.08.2014

Investment grade ratings since 2004

LANXESS Fact Book – Financials: Financing


Conservative financial management is essential for LANXESS investment grade rating and well acknowledged by agencies



May 19th, 2014

Standard & Poor's
BBB-


- ...strong position in synthetic rubber and diversity from intermediate and specialty chemicals
- ...persistent difficult operating environment in synthetic rubber and polymers...
- ... recently announced cost-saving measures and the completed €430 million capital increase will improve key credit metrics...
- ...we continue to categorize LANXESS' liquidity as "strong"



Jun. 20th, 2014

Moody's
Baa3

- Conservative financial management, reflected in the recent equity issuance, and expectation of strong execution of the restructuring measures underpin investment grade ratings.
- Weak business fundamentals and over-capacity in synthetic rubber markets...
- We draw comfort from the company's renewed focus on restoring its profitability and financial strength...



Aug. 18th, 2014

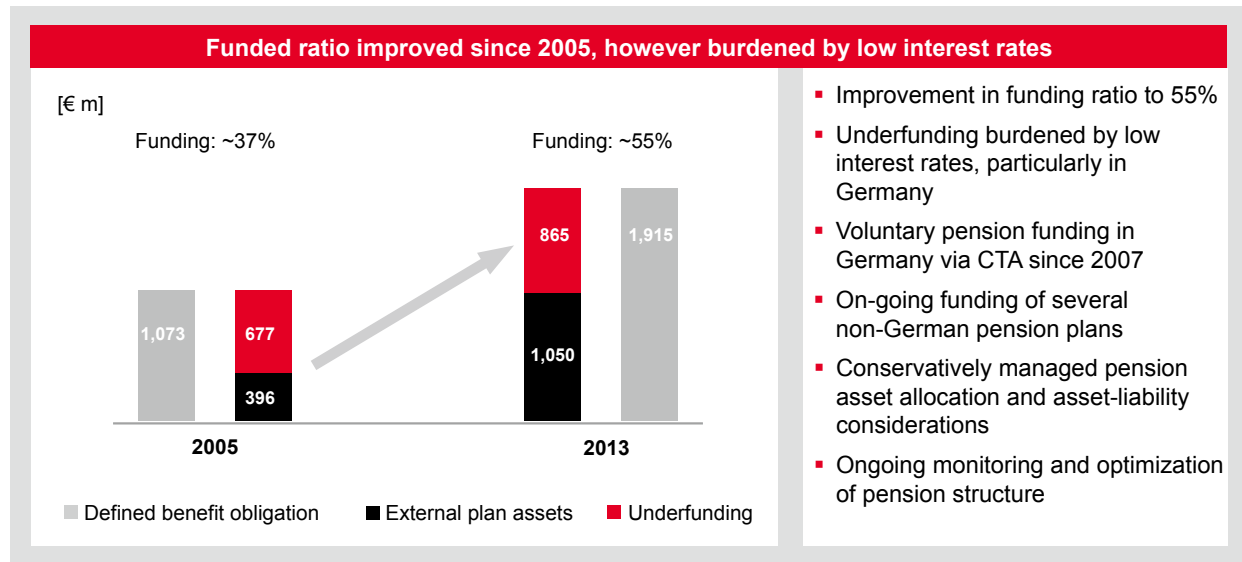
Fitch Ratings
BBB-

- The 'BBB-' rating and Stable Outlook are underpinned by the actions taken to date to strengthen the balance sheet (...) and to address the operational weaknesses identified.
- Deleveraging expected (...) from focus on debt reduction and improved cash flow generation.
- ...the prolonged downturn in the synthetic rubber sector has rebased Lanxess' profitability below historical levels...

Source: Rating Agencies

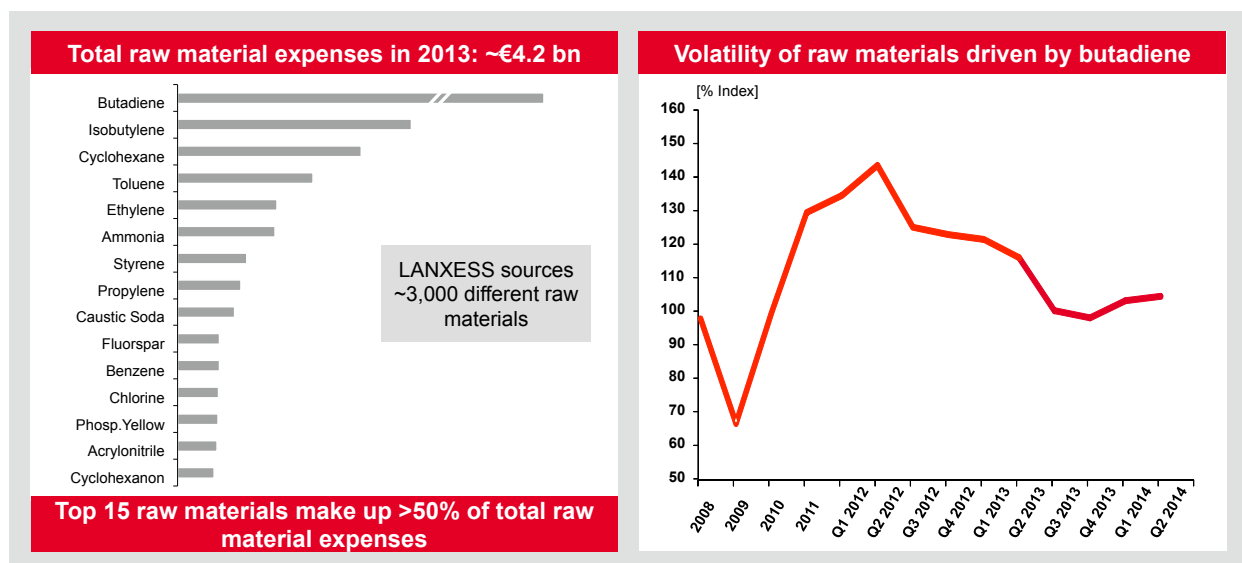
LANXESS Fact Book – Financials: Financing

LANXESS' pension obligations are managed closely as part of the group financing structure



LANXESS Fact Book – Financials: Financing

LANXESS runs a global sourcing strategy in order to ensure availability of raw materials at competitive prices



Source: LANXESS, price index, average 2010 = 100%

LANXESS Fact Book – Financials: Procurement

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