Annual Stockholders’ Meeting
Thursday, May 23, 2013

Speech by

Dr. Axel C. Heitmann
Chairman of the Board of Management

(Please check against delivery)

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Ladies and gentlemen, esteemed stockholders, good morning and welcome to our first Annual Stockholders' Meeting as a DAX 30 company.

As the film showed, LANXESS stands for progress and change. But LANXESS also stands for continuity.

Progress and continuity

For example, today's Annual Stockholders' Meeting is the fifth that we have held here in the LANXESS arena.
For five years now, we have been sponsoring Germany’s largest and most successful indoor event venue.

And for five years, the LANXESS arena has stood for our clear commitment to North Rhine-Westphalia and our presence in Cologne.

Now, this city is about to become even more important to us, as we move into our new headquarters building here this summer.

This, again, is at once a sign both of change and of continuity.

The decision to relocate our corporate headquarters to Cologne means that North Rhine-Westphalia remains our home state – even though we now operate 50 production sites in more than 30 countries and our activities continue to grow worldwide.

Ladies and gentlemen, the film also illustrated the importance that LANXESS places on education. And this, too, has been the case for five years.

With our education initiative, we aim to get even more children and young people excited about chemistry, mathematics, physics and biology – and ensure they have the opportunity to learn about these things in the first place.

That's why we provide schools with educational materials on scientific subjects – and are continuing to do so this year.

This commitment remains an integral part of our corporate responsibility – for the benefit both of those whom we support and of our company and our industry. We must remember the shortage of specialists that exists in German industry. This isn't only a matter for the politicians. Everyone needs to get involved.
And that's what we're doing. For example, in 2012 LANXESS launched a "Senior Trainee Program" that is unique in Germany, enabling highly qualified experts to resume their careers following a long period of family leave.

In short, we continue to assume our share of responsibility – even when conditions are more difficult.

**LANXESS reacts to weak start to the year**

<table>
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<tr>
<th>EBITDA* [€ million]</th>
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<td>Q1 2012: 369</td>
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<td>Q1 2013: 174</td>
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*The definition

LANXESS is proactively addressing the weakness in demand

And there is no doubt that conditions are more difficult this year. You can see, hear and read that every day in the business media.

In particular, the European automotive and tire sectors – two of our most important customer industries – are facing what is in some cases a substantial drop in demand.

That is bound to leave its mark on us, too. LANXESS isn't immune to the effects of fluctuations in demand on this scale.

Our results for the first quarter of this year showed that quite clearly.

Earnings fell considerably compared with the first quarter of 2012 – which was, however, the best quarter so far in our history.
EBITDA pre exceptionals fell back to EUR 174 million, which was half of last year's figure. That of course is a far-from-pleasing result.

It was attributable to persistently weak demand, especially in the automotive and tire industries.

In addition, the construction industry suffered from the extremely long winter in both Europe and the United States.

However, ladies and gentlemen, LANXESS is responding to this in the way you would expect from us: quickly, decisively and purposefully.

We are constantly adjusting our cost structure and our production capacities to the trend in demand, based as always on our policy of flexible asset and cost management.

In the Performance Polymers segment, for example, we have temporarily shut down some facilities to compensate for the current decline in demand.

What's more, we are reducing our capital expenditure budget for 2013 from the previously planned level of between EUR 650 million and EUR 700 million to about EUR 600 million.

In addition, we are now planning to implement measures in the Performance Chemicals segment among others. These measures are not designed simply to achieve short-term savings, but to raise the competitiveness of our international sites for the medium and long term.

Our financial policy, too, remains aligned toward maximum security. Last year we made use of the low-interest environment to issue new 10- and 15-year bonds, creating a very robust, long-term financing structure.
Thus we have acted today to responsibly finance our future growth. We are ensuring that you, our investors, can continue to rely on LANXESS – one aspect being a stable investment-grade rating.

Ladies and gentlemen, all of this shows that we are being pro-active – as we have always been, and in the same way that has paid off in the past.

**Muted expectations for 2013**

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<th><strong>Current macro view</strong></th>
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<tr>
<td>Overall customer demand remaining low, with only slight improvement in Q2</td>
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<tr>
<td>No substantial improvement in economic environment, low visibility persisting</td>
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<tr>
<td>Customer destocking expected to slow down in Q2</td>
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<td>U.S. to see slight growth, Europe to remain weak, Asia expected to pick up in H2</td>
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<th><strong>LANXESS expectations</strong></th>
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<td>Q2 EBITDA* improving sequentially, but not better than ~EUR 220 million</td>
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<td>EBITDA* for full year 2013 expected to come in below EUR 1 billion</td>
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<td>LANXESS adhering to mid-term earnings targets:</td>
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<td>→ EUR 1.4 billion EBITDA* in 2014</td>
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<td>→ EUR 1.8 billion EBITDA* in 2018</td>
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We are expecting a slight improvement in business in the second quarter. The weak demand from the tire and automotive industries persists, but customer destocking is slowing down.

We currently expect EBITDA pre exceptionals in the second quarter to exceed the level of the first quarter but to come in below EUR 220 million. And we anticipate incurring a mid-double-digit million euro amount of exceptional charges for the additional measures I just mentioned.

The market environment will remain weak and volatile, with low visibility persisting. We nevertheless expect an economic improvement in the second half of this year. Asia, particularly China,
will perform considerably better, whereas market conditions in Europe will remain difficult.

Our confidence is based mainly on the expectations of major customers in the tire industry, for example.

We believe demand for agrochemicals will remain strong, and we anticipate a moderate recovery in the construction industry.

LANXESS now anticipates EBITDA pre exceptionals for the full year 2013 to come in below EUR 1 billion.

But from today’s perspective we are adhering to our mid-term EBITDA targets of EUR 1.4 billion and EUR 1.8 billion in 2014 and 2018, respectively.

After all, ladies and gentlemen, LANXESS still has the right strategic positioning – with our strict focus on the emerging economies and our innovative products.

**Innovative technologies for global megatrends**

And the megatrends on which our business model is based also remain intact: urbanization, agriculture, water and mobility. These are the areas that will continue to drive growth worldwide in the future.
And we will continue to benefit from this growth because we can serve these trends extremely well with our premium products and our know-how.

Take the example of urbanization: more and more people are living in cities worldwide. Houses and streets must be built. New living space is being created, as are thousands and thousands of offices.

LANXESS already offers many products and solutions that help to make life in cities more comfortable, safer and healthier.

Just think of our environmentally friendly products for the construction industry - from our inorganic iron oxide and chrome oxide pigments for coatings, to rubbers for floor coverings.

We are similarly successful and focused in the area of agriculture, which is another of the megatrends. Our products can be relied on to help safeguard harvests and make more efficient use of the arable land available.

This is becoming increasingly important. Because the world population continues to grow. The demand for food is increasing as a result – but the amount of land used for agriculture is declining.
LANXESS is very well prepared for this. For example, our Saltigo business unit is now in an even better strategic position following its realignment toward agrochemicals. In this way we have created the world's number one chemical specialist for particularly sophisticated products, namely customized active ingredients and building blocks for agrochemicals, without which it would already be impossible to feed the growing world population.

This business has proven to be a stabilizing factor for us, especially recently. Saltigo is currently benefiting - especially in terms of new business - from the persistent upward trend in the economy, which is due to continued growth in the demand for agricultural commodities.

In the first few months of this year alone, Saltigo acquired several important new projects – a clear sign that LANXESS is very well positioned with Saltigo. For this success isn't just a question of economic trends. On the contrary: we have given Saltigo exactly the right structure at the right time, and successfully positioned this business as a reliable partner and supplier to the agrochemical industry.

The expertise in chemicals acquired over decades, the employees' experience of our industry, our strict customer centricity, maximum precision, on-time delivery and supply security, as well as the use of
resource- and environmentally friendly processes - all of these factors are paying off and driving growth in this area.

The Advanced Industrial Intermediates business unit is also doing well. This business unit is one of the world's principal suppliers of high-quality industrial chemicals, many of which are needed as intermediates in the agrochemical industry. In addition, the aromatics industry has recently provided major impetus to our business.

Overall, agrochemical active ingredients remain a promising growth segment for LANXESS. And we will continue to invest in this area in the future, with capital spending totaling up to EUR 100 million by 2015 at the Leverkusen facilities of the Saltigo business unit alone.

**Innovative technologies for global megatrends**

We also see good opportunities for further growth through the megatrend of water. That’s because clean water is a human right – and yet around one billion people currently do not have access to clean water.

Our products and our knowledge are playing a key role in bringing about change in this area.

For example, we can already very effectively remove heavy metals, nitrates, pesticides and disease pathogens from contaminated water.
The fourth megatrend is, last but not least, mobility: more and more people are aspiring to individual mobility. More and more people are buying cars, particularly in Asia. The number of cars is growing rapidly, and by 2050 there will be some 2.5 billion cars on the world’s roads – that's more than twice as many as today.

This doesn't just make people more mobile, however, but also creates new problems for the climate and the environment. That's why LANXESS continues to focus on the issue of "green mobility", which remains a tremendously important growth area for us.

**LANXESS enables “Green Mobility”**

- Products for “Green Mobility” account for roughly 20% of sales 2012
- "Green Tires" made from LANXESS high-performance rubbers reduce rolling resistance and therefore fuel consumption and greenhouse gas emissions
- LANXESS benefits from global tire labelling initiatives
- Individual savings potential can be determined using the LANXESS fuel saving calculator

In 2012 we already achieved some 20 percent of our sales with products that enable more sustainable mobility.

We make an important contribution to making tomorrow’s mobility more efficient and more eco-friendly with our high-tech plastics for light-weight automotive and aviation components and our high-performance rubbers for "green tires".

After all, ladies and gentlemen, "green tires" made of high-performance rubbers reduce rolling resistance. In this way they cut fuel consumption by between 5 and 7 percent and therefore reduce
CO₂ emissions. They currently represent the only technology available for making cars more environmentally friendly without design modifications – and that applies to both new cars and used cars.

If all of Europe's motor vehicles were already fitted with "green tires", it would make an enormous contribution to climate protection.

Politicians have also recognized this potential. In Europe and in South Korea, new tires must now bear a label that tells customers quite clearly how energy-efficient and environmentally compatible the tires are. The system is similar to the one that has long been in use for appliances such as refrigerators.

Regulations of this type will soon be introduced in many other countries as well, Brazil being one example. Tire manufacturers in Japan already operate a voluntary labeling system.

The topic is also becoming more important in China as a result of new political initiatives: the goal in that country is for "green tires" to account for one quarter of domestic car tire production by 2015.

And of course, it is obvious that such a labeling requirement will help to further increase sales of "green tires" in the medium term – and thus the demand for our high-performance rubbers.

That's because consumers' interest in "green tires" is also growing. The success of the fuel saving calculator we launched on the internet in 2012 shows how much interest there is. The calculator is also available as an app for downloading to smartphones and tablets. About 215,000 consumers have made use of it so far.

By entering just a few figures for your car, you can find out how much fuel you could save by replacing conventional tires with "green tires". I invite you to try out our fuel saving calculator outside in the lobby, where our experts are on hand to answer your questions.
There you will also find a lot more information on topics such as "green tires", light-weight construction, the energy efficiency of our production facilities around the world, or our move to Cologne.

**LANXESS enables “Green Mobility”**

- Products for “Green Mobility” account for roughly 20% of sales 2012
- Huge potential for growth in the market for lightweight materials
- Light-weight materials from LANXESS save vehicle weight, thus also reducing fuel consumption and greenhouse gas emissions

Ladies and gentlemen, "green tires" are not our only major growth area. Another is the market for light-weight materials.

According to current forecasts, this market will grow worldwide from currently around EUR 70 billion to more than EUR 300 billion by 2030. And LANXESS is benefiting from this growth.

Our high-tech plastics and composite materials are already used in many cars, and the quantities are increasing. Overall they lead to a significant reduction in weight. And lighter materials are simply better, because lighter cars use less fuel and that means lower emissions.

In fact, modern light-weight materials make new cars safer and their manufacture even more eco-friendly at the same time. That’s because these materials have better molding properties than their metal counterparts, and less energy is used in their production.

Our products and technologies enable an average reduction of more than 50 kg in vehicle weight. This in turn lowers fuel consumption by
about 3 to 4 percent and CO$_2$ emissions by more than half a kilogram per 100 kilometers.

This is especially important with regard to the future market of electric mobility, because the batteries on board an electric car are much heavier than a conventional combustion engine – and additional weight further reduces the already fairly short ranges of these vehicles.

Here again, the solution lies in light-weight construction: every kilogram of weight saved increases the car's range.

**Targeted investment in growth regions**

Ladies and gentlemen,
alongside technology we consider it important to concentrate on the major growth regions. Because these regions – including of course the BRICS countries, particularly Brazil, India and China – will remain the principal growth drivers for our businesses in the future.

Automakers such as BMW or Audi are currently expanding their capacities or planning new production facilities in Asia. Volkswagen alone plans to build seven new plants in China by 2018 and nearly double its capacities there.
The tire industry, too, looks forward to long-term growth. This sector expects to expand at an annual rate of around 7 to 8 percent in Asia-Pacific in the coming years.

The situation is very similar in Brazil: the world’s fifth-largest country is our second-biggest market in the Americas after the United States – with enormous potential, especially with regard to mobility. Here again, more and more people in the growing middle class are able to afford a car.

And above all, the Latin American market is second only to Asia with regard to demand for “green tires”. And we can serve this demand because we offer the right products and solutions locally, from our own local production facilities.

All of these areas offer good prospects. We are therefore maintaining our strategic focus on Asia in particular, and our commitment to this region.

At the beginning of June, for example, we will inaugurate our new production plant for butyl rubber in Singapore. In total we have invested some EUR 400 million in this state-of-the-art facility, which has an annual capacity of 100,000 metric tons. Commercial production will begin in the third quarter.

Let me take this opportunity to thank the entire project team – because, ladies and gentlemen, we have implemented this largest capital expenditure project in LANXESS’ history on schedule and on budget. Multinational teams comprising several thousand experts were sometimes working on the construction site simultaneously. This was really a tremendous achievement.

Also in Singapore, we already broke ground last September on the world’s biggest plant for the production of neodymium rubber.
This rubber is used in the production of "green tires". The new plant will therefore enable us to even better serve the growing demand in the Asian market.

**Broad portfolio**

![Broad portfolio diagram](image)

Besides the growth regions and the megatrends, our portfolio remains the third success factor for the future of LANXESS. It is very well balanced: in total, the field of mobility comprising synthetic rubber and plastics makes up around 40 percent of our sales. We do the remaining 60 percent of our business with basic, functional and specialty chemicals.

We certainly have the right products. They are at the leading edge of technology and sustainable at the same time. In other words, they are products that in turn make our customers' products better while reducing waste gas emissions, saving energy, conserving natural resources and protecting the environment.

We hold an excellent position thanks to our broad portfolio, our products and technologies, and our strict focus on the growth regions and the major global megatrends.
And on that basis we again achieved record earnings in 2012. Indeed, 2012 was our strongest year so far.

EBITDA pre exceptionals rose to more than EUR 1.2 billion. This was the highest earnings level so far in our company’s history.

The EBITDA margin also improved, from 13.1 to 13.5 percent.

And we raised sales once again – from EUR 8.8 billion to EUR 9.1 billion.

That was an increase of 4 percent.

All of our segments contributed to this growth. We were especially pleased with the development of the Advanced Intermediates segment, where sales moved ahead by more than 8 percent thanks to the continuing high demand for agrochemicals.

The most important segment was Performance Polymers, in other words our rubber and plastics business.

Sales of this segment rose by 2.3 percent in 2012, with the Keltan EPDM business we acquired two years ago making a tangible contribution to this improvement.
The Performance Chemicals segment, our business with process and functional chemicals, also raised sales in 2012. Business here expanded by 3.4 percent.

Our strongest regions were North America and Asia-Pacific, where sales advanced by around 10 percent in each case. In all other regions, sales were level year on year.

Net income also reached an all-time high, coming in at EUR 514 million.

We adhered to our proven growth strategy in 2012, involving a healthy mix of organic and external growth.

And we are maintaining our focus on innovation.

**Research and development for long-term success**

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<th>R&amp;D expenditures [€ million]</th>
<th>2011</th>
<th>2012</th>
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<td>144</td>
<td>192</td>
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- Number of employees in R&D increased in 2012 to more than 850
- R&D expenditures and workforce have doubled since 2008

Last year we therefore increased our spending on research and development to EUR 192 million, from EUR 144 million in the previous year.

The number of employees working in this area has doubled since 2008 to approximately 850.
Ladies and gentlemen, we also want you, our stockholders, to benefit from the strong results of our businesses last year.

We are therefore proposing to the Annual Stockholders' Meeting today that a dividend of EUR 1 per share be paid for 2012. That is nearly 18 percent more than for the previous year.

This increase is made possible by the substantial improvement in earnings last year, which would have been unthinkable without the commitment of our employees. Also on behalf of my colleagues on the Board of Management, I would like to take this opportunity to express my special thanks to our employees.
However, increasing economic success results in increasing responsibility.

Our company faces up to this responsibility – whether through our careful stewardship of the environment or as regards social developments.

Wherever we operate, we make sure that we manufacture as sustainably as possible and maintain a social commitment.

For example, last year we once again undertook to uphold the principles of the U.N. Global Compact, the world's largest corporate responsibility and sustainability initiative.

Our success in terms of sustainability is also evident in the major awards we have recently received:

- For example, we are very proud that LANXESS is judged to be one of the best companies in the German-speaking countries as regards climate protection reporting.

- That applies to our working conditions, too, where we are a leader in our industry. In 2012 we received the renowned "Cologne Chemistry Award" for our activities.
• I'm especially pleased that LANXESS managers voted us as the company with the best working conditions in the German chemical industry in a sector-wide survey. As a reminder, we began in 2005 at the bottom of the league in our sector.

• And we were also honored once again in China last year for our long-term commitment to culture and society.

As you can see from these examples, economic success and sustainable activity belong together at LANXESS.

We continue to stand by our responsibility and reliability - and we do so worldwide.

LANXESS is strategically very well positioned

Ladies and gentlemen, 2013 has been a challenging year so far. However, we assume the current weakness in demand is temporary.

And as I explained earlier on, we are responding to this quickly, decisively and purposefully

• with our flexible asset and cost management

• with an adjustment to our capital expenditure budget for the current year, and

• with measures in our Performance Chemicals segment.
Ladies and gentlemen, our company is strategically very well positioned:

- with the right products,
- with a broad portfolio
- and a focus on the world's major megatrends and growth regions.

Thank you for your attention.

Forward-Looking Statements.
This news release may contain forward-looking statements based on current assumptions and forecasts made by LANXESS AG management. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.