2014: An intensive year for LANXESS

Big challenges …

- Rubber business
- Cost structure
- Level of investment
- Level of debt

… but LANXESS is taking actions

- Capital increase
- Realignment program in three phases
Phase I of realignment: Implementation nearly completed

1. Business & administration structure competitiveness
   - Consolidation of business and administrative functions
   - Reduction of 1,000 positions
   - Annual savings of €150 m from the end of 2016

2. Operations competitiveness
   - More efficient sales structures
   - Optimization of production base

3. Portfolio competitiveness and alliances
   - In talks with potential partners since end of 2014
   - Update to be provided in second half of 2015

| 2014 | >>>> | >>>> | 2015-2016 | >>>> |
## Phase II of realignment: First results

<table>
<thead>
<tr>
<th>1</th>
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<th>Operations competitiveness</th>
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### Operations competitiveness
- More efficient sales structures
- Optimization of production base

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**2014**

**2015-2016**
Phase II of realignment: Optimizing the asset base

- Production network adjustments in 2016
- Key sites in Singapore and Dormagen
- More efficient logistics chain and reduced transport costs
Phase II of realignment: Optimizing the asset base

- Just one production plant per region
- Stop of production at Marl site intended by end of 2015
- Better supply/demand balance in an oversupplied market
German sites must remain internationally competitive

Secure and affordable energy supplies

Efficient infrastructure

TTIP: Take advantage of new opportunities
Phase III of realignment: Possible forms of cooperation

**Vertical alliances – Strengthening cost position**

- **Petrochemical company**
  - Sale of cracker derivatives
  - Access to raw materials

**Horizontal alliances – Improving portfolio**

- **Rubber manufacturer**
  - Joint venture
  - Improved market position
  - Joint capacity management
  - Optimized asset base
Phase III of realignment: Talks in progress

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| 2014 | >>> | >>> | 2015/2016 | >>> |
2014: EBITDA improved in a difficult fiscal year

- **Sales [€ m]**
  - 2013: 8,300
  - 2014: 8,006
  - Change: -3.5%

- **EBITDA pre [€ m]**
  - 2013: 735
  - 2014: 808
  - Change: +9.9%

- **Net income [€ m]**
  - 2013: -159
  - 2014: 47
  - Change: + >100%
2014: Stable dividend also in challenging times

Dividend per share [€]

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.50</td>
<td>0.50</td>
<td>0.70</td>
<td>0.85</td>
<td>1.00</td>
<td>0.50</td>
<td>0.50*</td>
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Dividend 2014*: €0.50 per share
Total payout: €46 m

* Proposal to the Annual Shareholders' Meeting
2015: Good start to the year

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<th>Q1 2014</th>
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<tr>
<td>Sales [€ m]</td>
<td>2,043</td>
<td>2,038</td>
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<tr>
<td>-0.2%</td>
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</tr>
<tr>
<td>EBITDA pre [€ m]</td>
<td>205</td>
<td>229</td>
</tr>
<tr>
<td>+11.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income [€ m]</td>
<td>25</td>
<td>22</td>
</tr>
<tr>
<td>-12.0%</td>
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Outlook 2015: A transition year

**Macroeconomic expectations**
- Volatile raw material prices
- Strong U.S. dollar
- Persistently challenging competitive environment

**LANXESS**
- Phase II and III of realignment ongoing
- Reduction of capex to €450 m
- EBITDA pre exceptionals between €820 m and €860 m*

* Based on an exchange rate USD/EUR of 1.10
Beyond 2016: Growth focused on less cyclical businesses

- Investments in debottlenecking and efficiency improvements at existing plants
- Expansion of asset base
- Consolidation of businesses that target similar customer segments

Advanced Intermediates

Performance Chemicals

Organic growth and acquisitions worldwide