



# Q3 2016 Roadshow

**Moving forward – strategically and operationally**

Matthias Zachert, CEO

**LANXESS**  
Energizing Chemistry

# Safe harbor statement

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## Important Additional Information

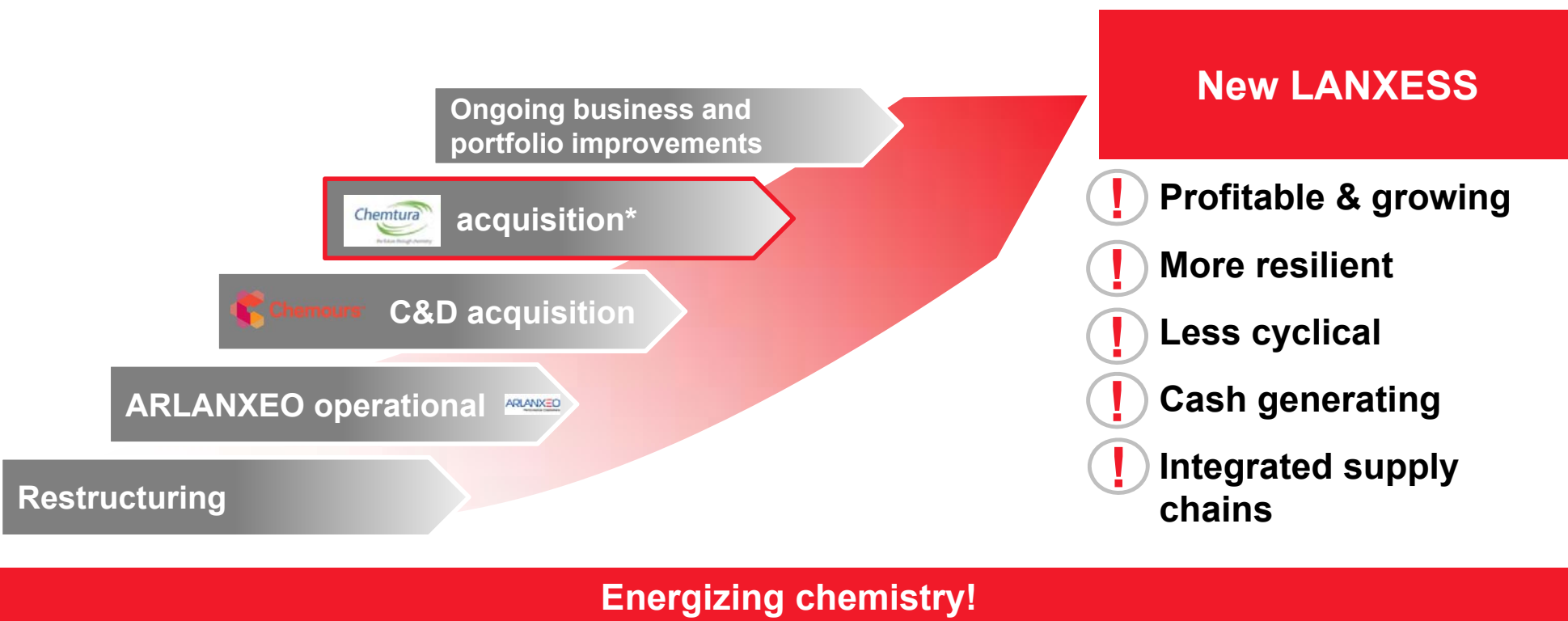
This communication may be deemed to be solicitation material in respect of the proposed acquisition of Chemtura Corp. by LANXESS AG. The proposed acquisition will be submitted to the stockholders of Chemtura Corp. for their consideration. In connection therewith, on November 4, 2016, Chemtura Corp. filed a preliminary proxy statement with the U.S. Securities and Exchange Commission ("SEC"). Chemtura Corp. intends to file a definitive proxy statement and mail such proxy statement to its stockholders of record. **BEFORE MAKING ANY VOTING OR ANY INVESTMENT DECISION, INVESTORS AND STOCKHOLDERS ARE URGED TO READ THE DEFINITIVE PROXY STATEMENT REGARDING THE PROPOSED TRANSACTION AND ANY OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.** Investors and stockholders will be able to obtain free copies of the proxy statement, any amendments or supplements thereto and other documents containing important information about Chemtura Corp., once such documents are filed with the SEC, through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). Copies of the documents filed with the SEC by Chemtura Corp. will be available free of charge on Chemtura Corp.'s website at <http://investor.chemtura.com> under the heading "Financials & Filings". Stockholders of Chemtura Corp. may also obtain a free copy of the definitive proxy statement by contacting Chemtura Corp.'s Investor Relations Department at (203) 573-2153.

# Agenda

- **Building a more resilient New LANXESS**
- Chemtura acquisition
- Q3 2016 and guidance – Moving forward strategically and operationally
- Backup

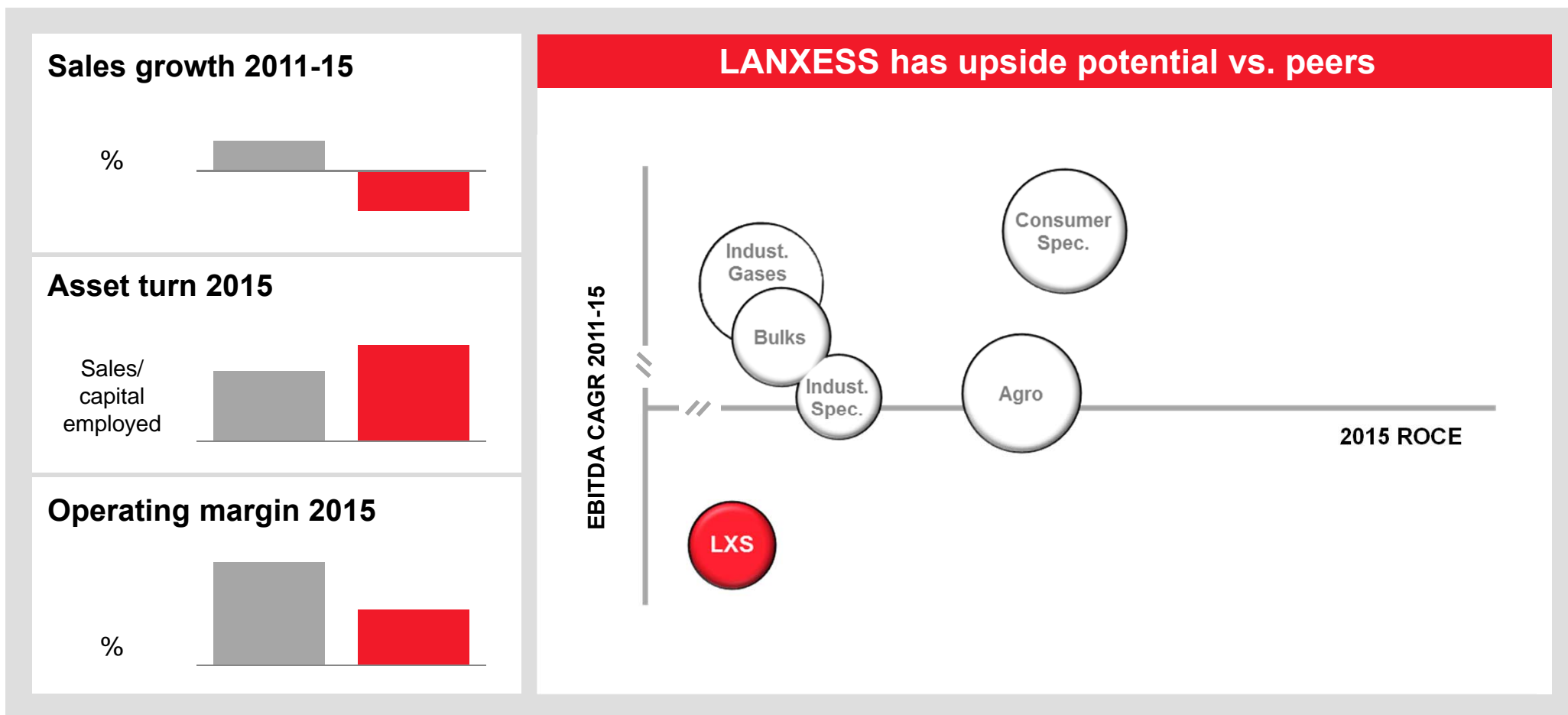
# On track to change the company into the New LANXESS

## Our path towards the New LANXESS



\* Closing expected mid 2017

# LANXESS as it stood until today, lagged the industry

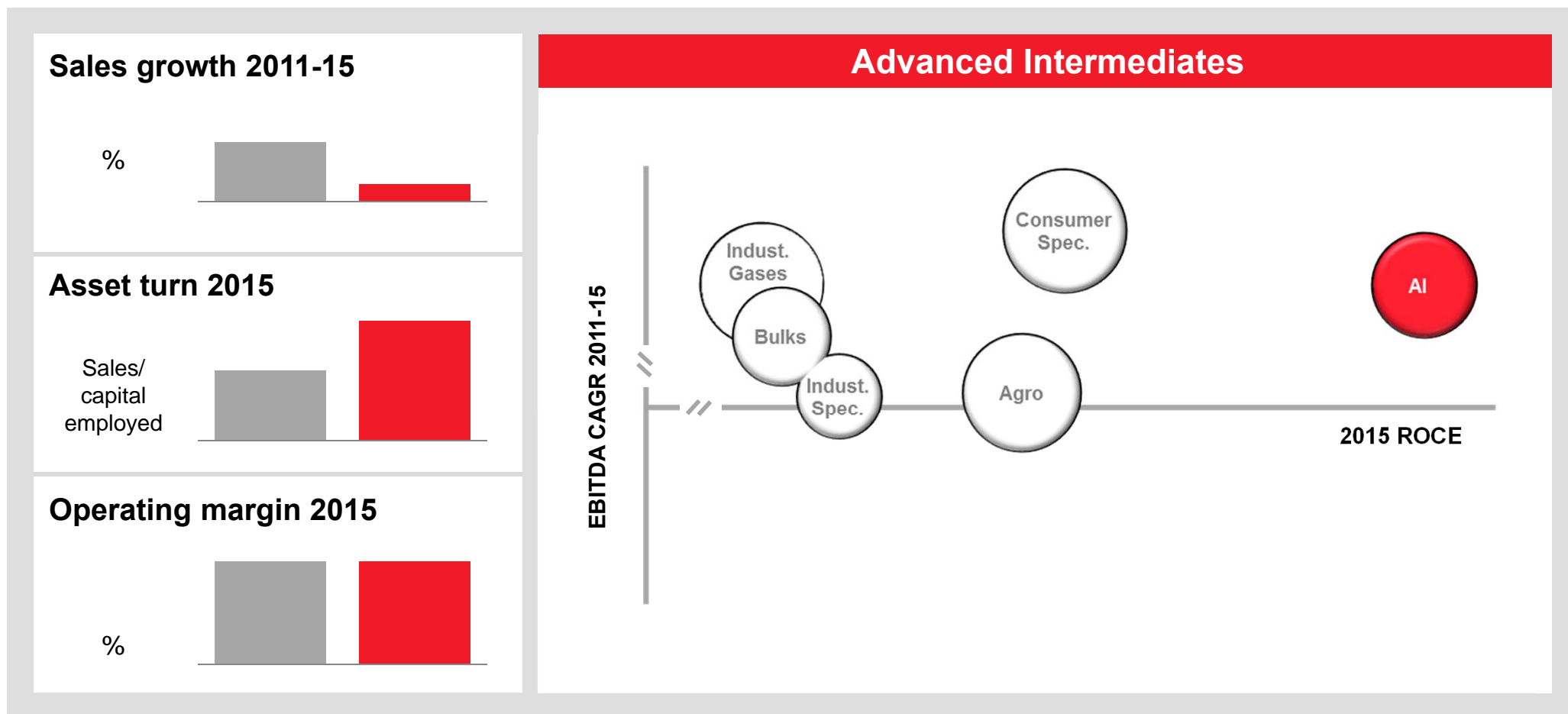


■ EU Chemicals Sector    ■ LANXESS

Source: Thomson Reuters Financial, 2011-15 data; own calculations; bubble size represents EBITDA margin; see appendix for group constituents

**LANXESS**

# Advanced Intermediates outperforms the industry

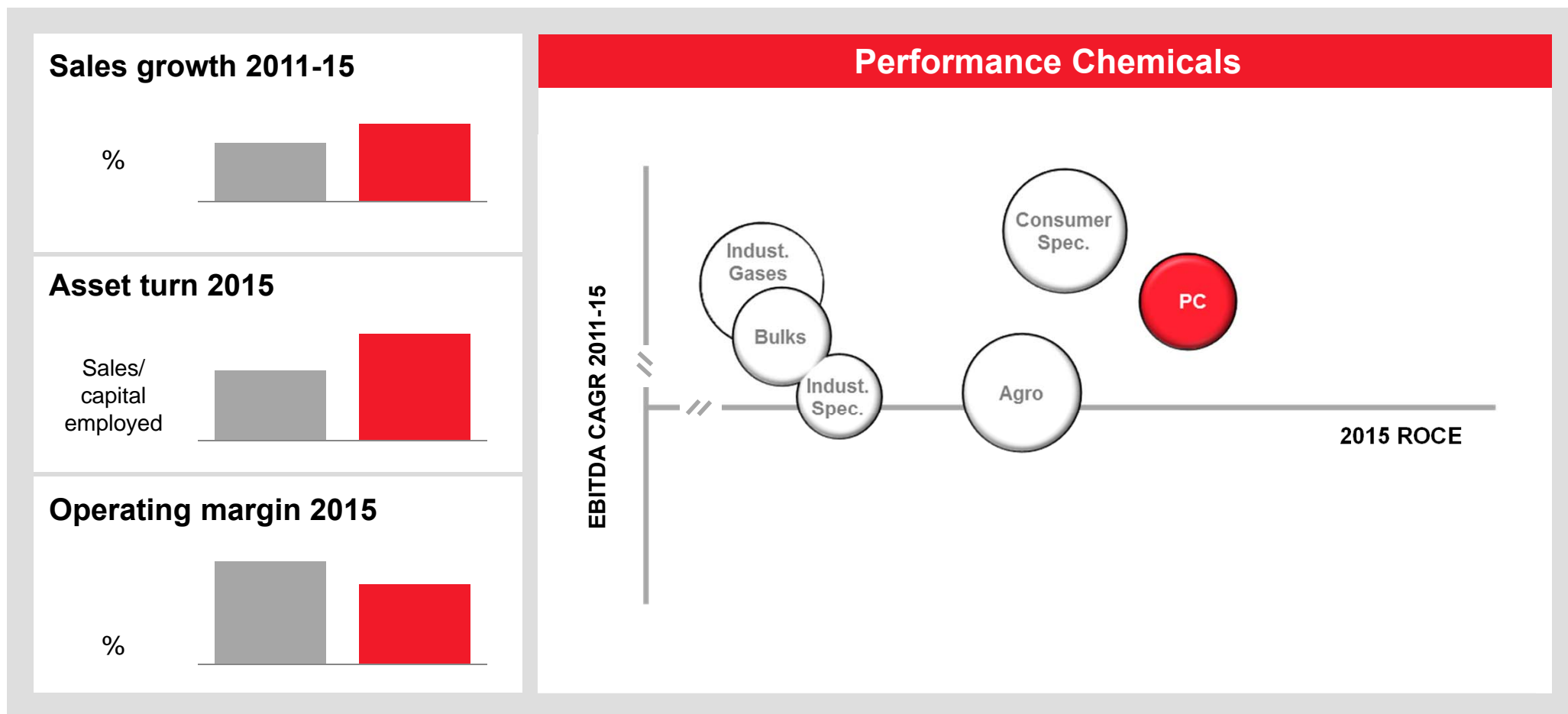


■ EU Chemicals Sector ■ AI

Source: Thomson Reuters Financial, 2011-15 data; own calculations; bubble size represents EBITDA margin; see appendix for group constituents

**LANXESS**

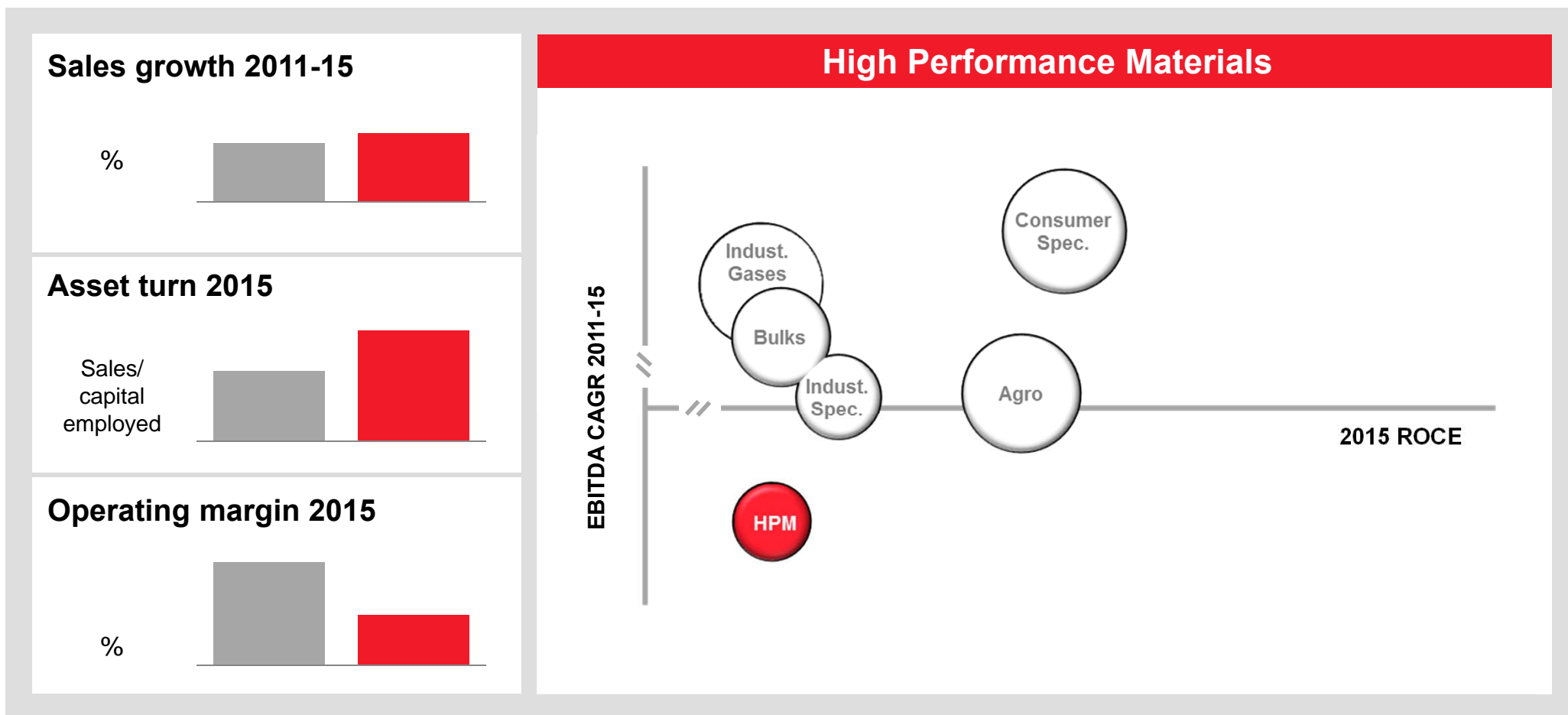
# Performance Chemicals also ahead of industry



■ EU Chemicals Sector ■ PC

Source: Thomson Reuters Financial, 2011-15 data; own calculations; bubble size represents EBITDA margin; see appendix for group constituents

# High Performance Materials will improve visibly



■ EU Chemicals Sector    ■ HPM

Source: Thomson Reuters Financial, 2011-15 data; own calculations; bubble size represents EBITDA margin; see appendix for group constituents



# At second glance New LANXESS shows real strength

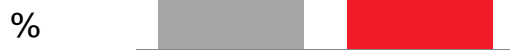
## Sales growth 2011-15



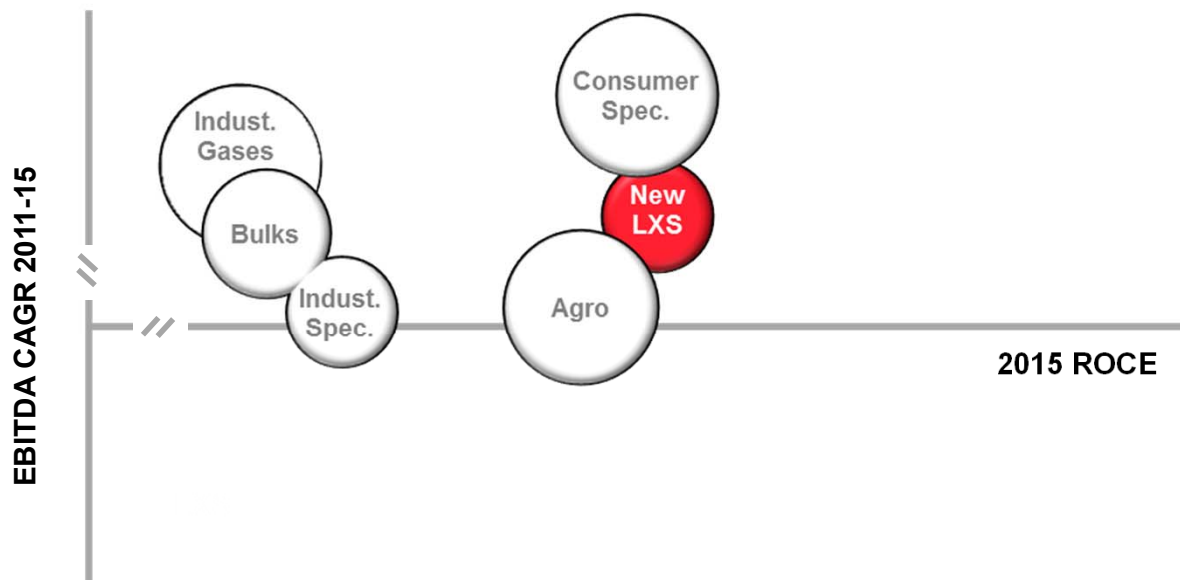
## Asset turn 2015



## Operating margin 2015



## Returns and growth on par with peers

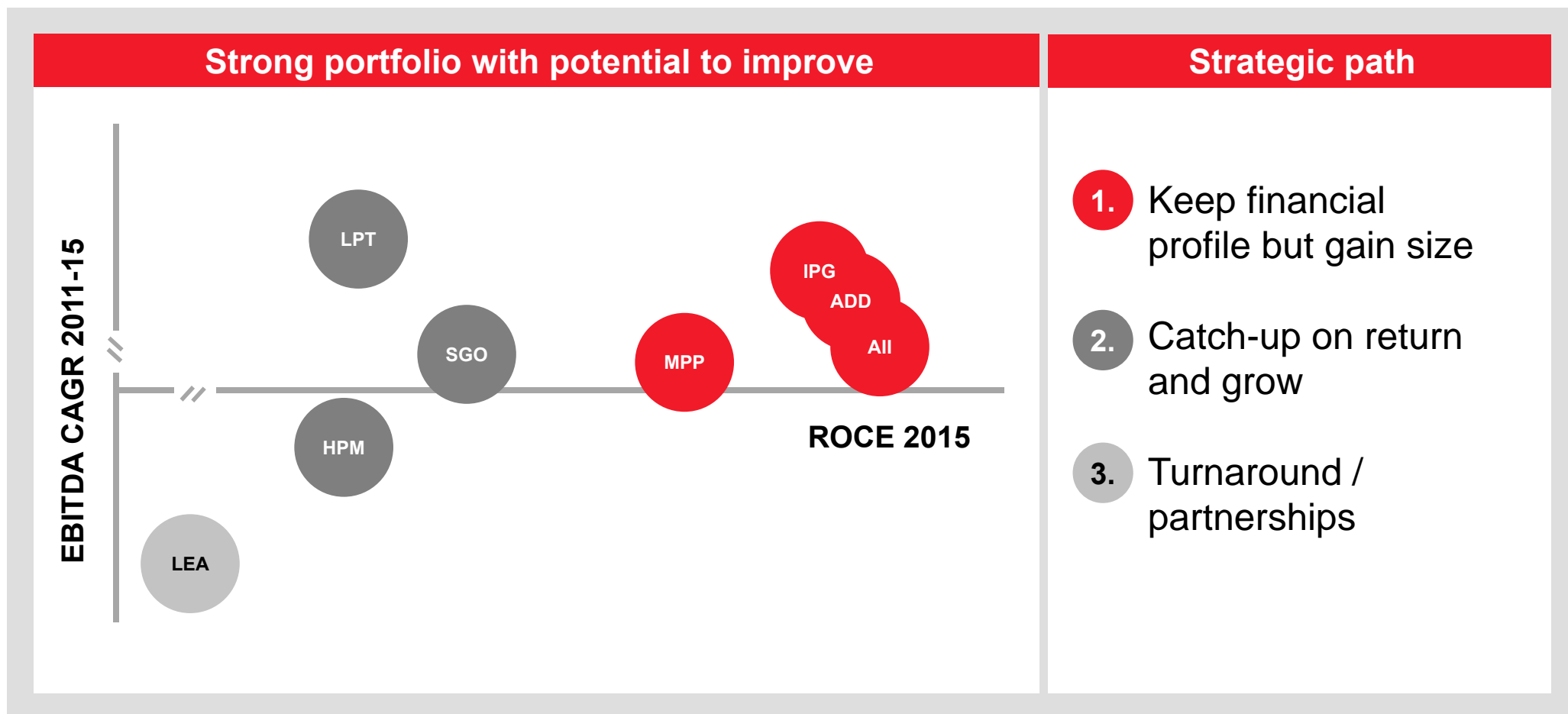


■ EU Chemicals Sector ■ New LANXESS

Source: Thomson Reuters Financial, 2011-15 data; own calculations; bubble size represents EBITDA margin; see appendix for group constituents

**LANXESS**

# Dedicated value maximizing strategy for each business unit

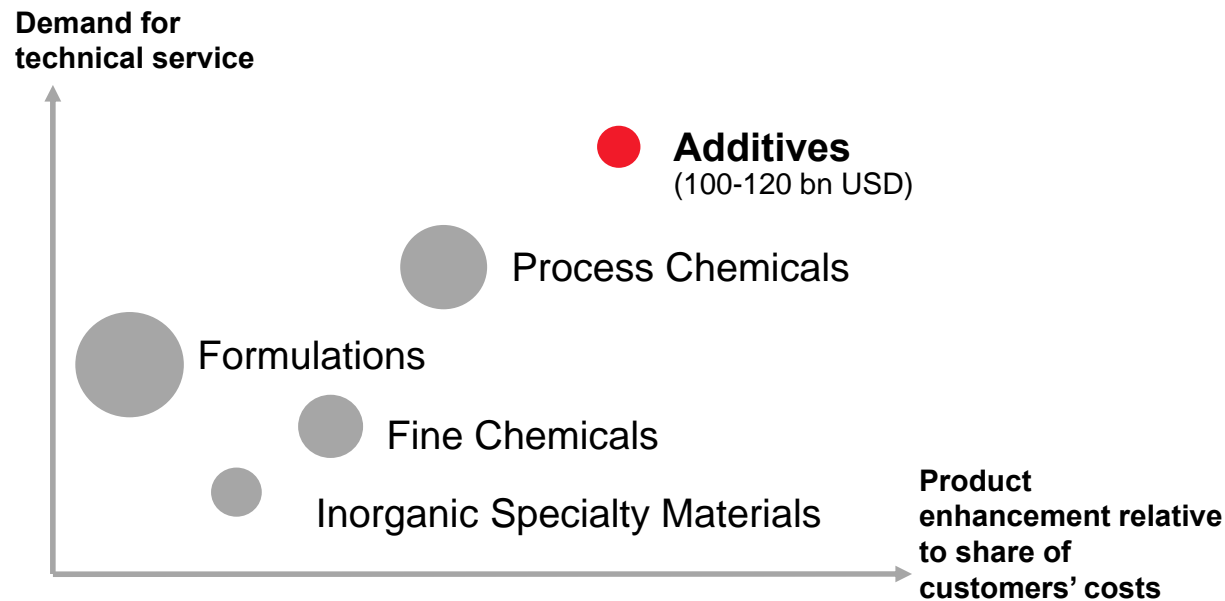


# Agenda

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# LANXESS creates a major, global additives business

## Additives among the most attractive product groups in the specialty chemical industry



Increasing performance requirements drive growth above GDP

## Attractive characteristics of additives business

- Small part of the customers' costs
- Desired result is key for customer
- Knowledge and technical service intensive
- Low capital-intensity

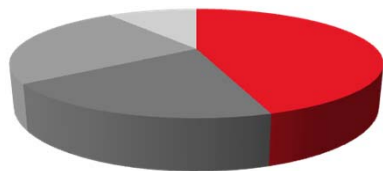


# Chemtura has a growing and profitable additives business with a strong US footprint



## A global, specialty chemical company\*

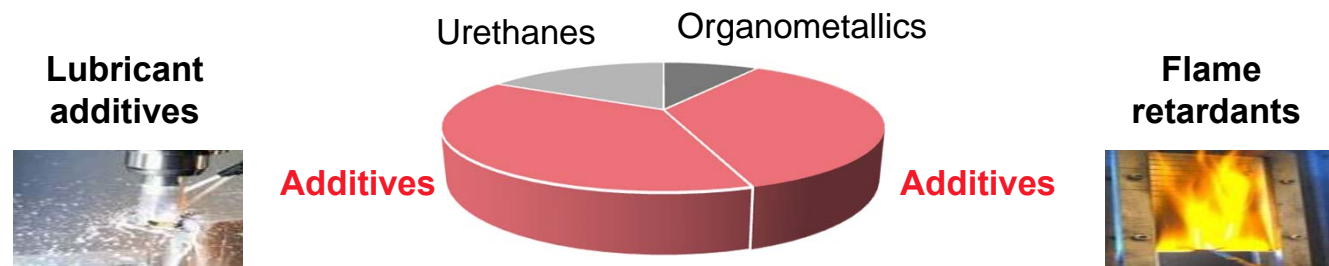
- Sales ~€1.5 bn
- EBITDA pre ~€245 m
- ~2,500 employees
- 20 sites in 11 countries



■ North America    ■ Europe  
■ Asia                      ■ Latin America

## Well established in lubricant additives and flame retardants

Sales split



## Key customer bases growing\*\*

**Building & construction**



~3.0%

**Electrical & Electronics**



~5.5%

**Energy**



~2.0%

**Transportation**



~3.5%

Sales and EBITDA are based on Q2 2016 LTM, USD/EUR 1.10

\* Listed at NYSE, Headquarters: Philadelphia, PA (US)

\*\*CAGR: 2016-2020 (based on IHS)

# New LANXESS: Four strong pillars

## LANXESS AG



50% owned by  
Saudi Aramco  
as of April 1, 2016\*



**Advanced  
Intermediates**

**Performance  
Additives\*\***

**High Performance  
Materials**

**Performance  
Chemicals**

**ARLANXEO**  
joint venture for  
synthetic rubber

## New LANXESS

**More resilient – Strong cash generation – Solid platform  
for growth**

\* ARLANXEO to be fully consolidated for the first three years

\*\* Future reporting structure after closing of Chemtura acquisition

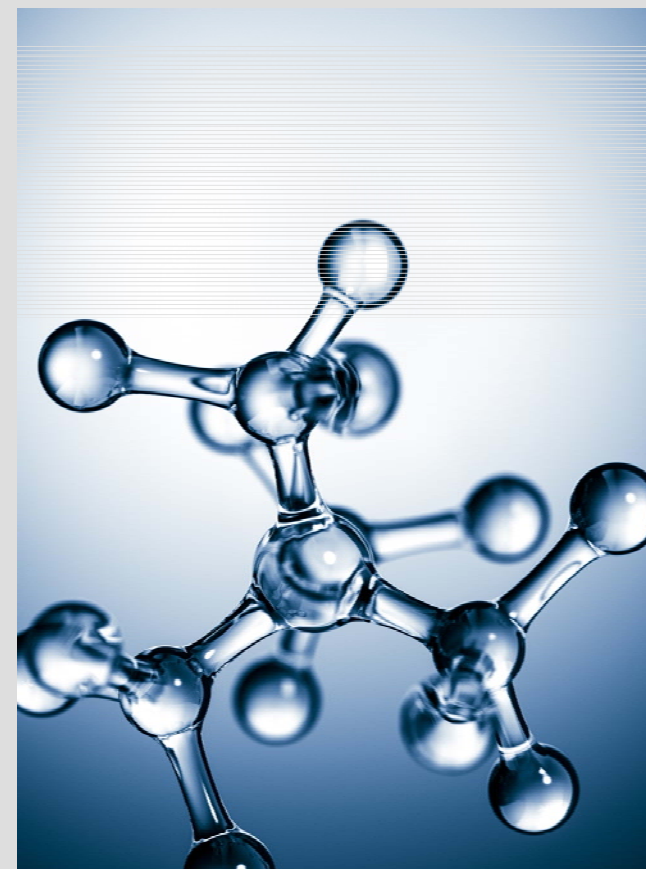
# Building on our core strength

**New LANXESS with strong foundation**

**Clear and prudent criteria for growth**

**Attractive organic and inorganic growth opportunities**

**Building a more resilient and cash generating company**







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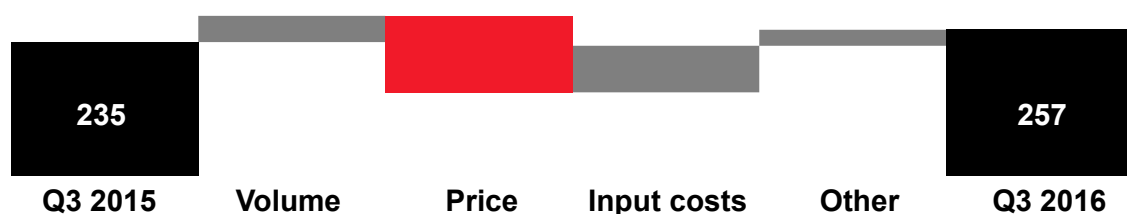


# Q3 2016: Volume-driven earnings growth mitigated by margin pressure in ARLANXEO

Q3 yoy sales variances		Price	Volume	Currency	Portfolio	Total
	Adv. Intermediates	-8%	+7%	0%	-	-1%
	Perf. Chemicals	-3%	+5%	0%	+2%	+3%
	High Perf. Materials	-8%	+6%	0%	-	-2%
	ARLANXEO	-9%	+4%	0%	-	-5%
<b>LANXESS</b>		<b>-7%</b>	<b>+5%</b>	<b>0%</b>	<b>0%</b>	<b>-2%</b>

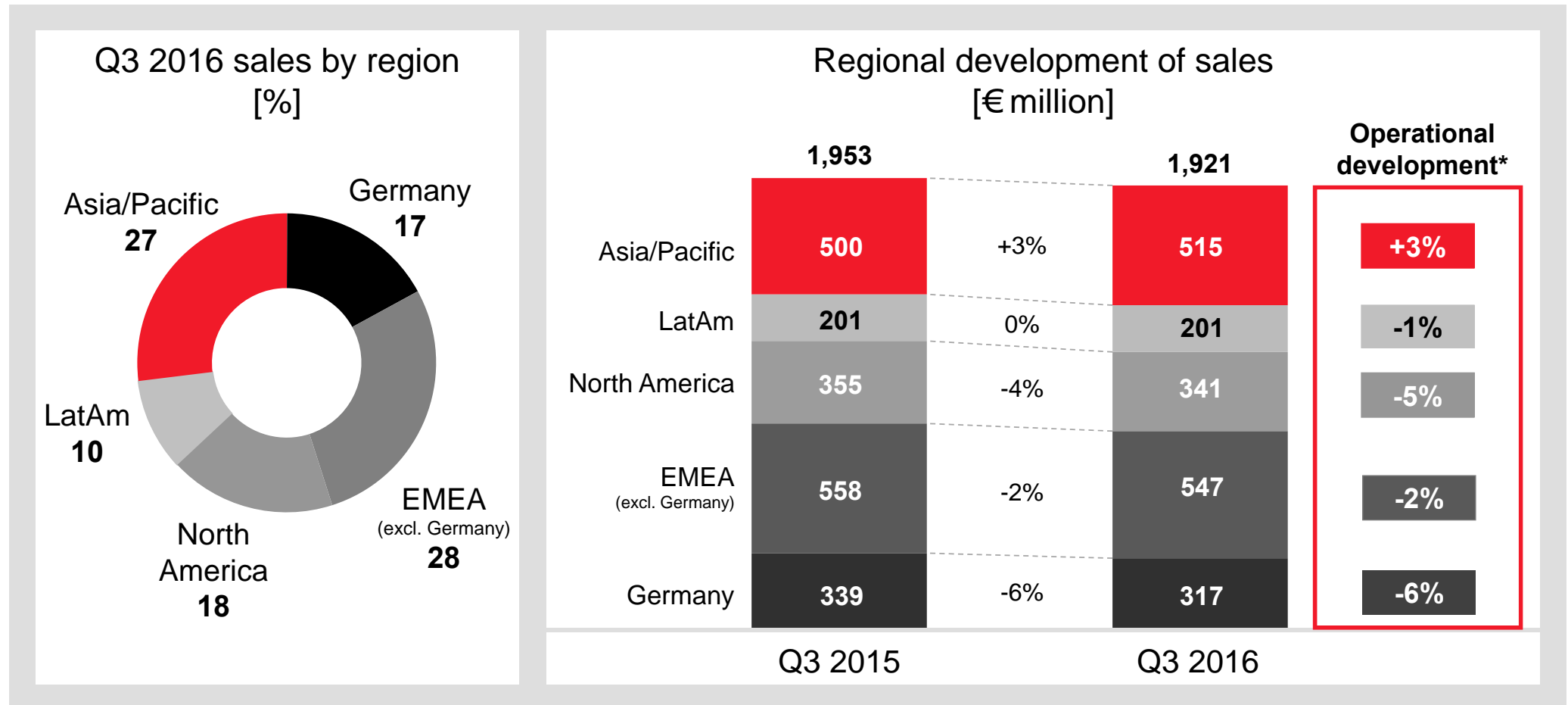
- Prices still shaped by raw material price pass-through
- Higher volumes across all segments; Advanced Intermediates vs low 2015 base
- Negligible FX effects in top line (nearly stable USD/EUR)

## Q3 yoy EBITDA pre bridge [€ m]



- Strong volume growth and positive mix effects drive EBITDA
- Price/cost squeeze largely due to ARLANXEO
- Higher capacity utilization, savings and lower hedging expenses reflected in "Other"

# Q3 2016: Strong Asia/Pacific demand compensates for raw material price pass-through visible in other regions



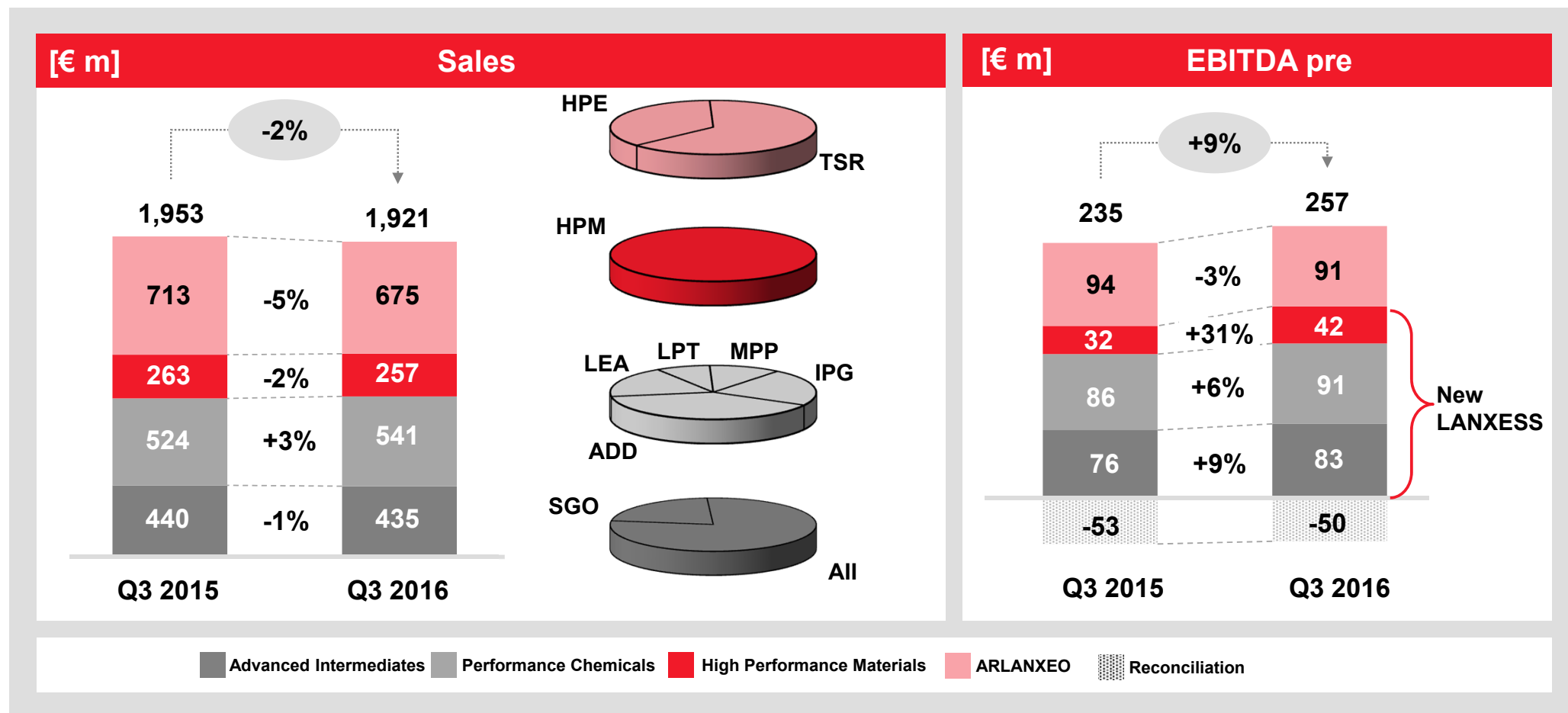
\* Currency and portfolio adjusted

## Q3 2016: Earnings growth reflects transformation towards New LANXESS

[€ m]	Q3 2015	Q3 2016	yoy in %	
Sales	1,953 (100%)	1,921 (100%)	-2%	<ul style="list-style-type: none"> <li>Lower sales as higher volumes are offset by pass-through of lower raw material costs</li> <li>Improved utilization across all segments and accelerated savings compensates for price/cost squeeze in ARLANXEO</li> <li>SG&amp;A under control</li> <li>EBITDA improves on good volumes and more efficient cost base</li> </ul>
Cost of sales	-1,498 (77%)	-1,475 (77%)	2%	
Selling	-190 (10%)	-192 (10%)	-1%	
G&A	-70 (4%)	-67 (3%)	4%	
R&D	-32 (2%)	-34 (2%)	-6%	
<b>EBIT</b>	<b>104 (5%)</b>	<b>122 (6%)</b>	<b>17%</b>	
Non-controlling interests	0	-2 (0%)	<-100%	
<b>Net Income</b>	<b>41 (2%)</b>	<b>62 (3%)</b>	<b>51%</b>	
<b>EPS pre</b>	<b>0.57</b>	<b>0.78</b>	<b>37%</b>	
EBITDA	218 (11%)	241 (13%)	11%	
thereof exceptionals	-17 (1%)	-16 (1%)	6%	
<b>EBITDA pre exceptionals</b>	<b>235 (12.0%)</b>	<b>257 (13.4%)</b>	<b>9%</b>	

A good set of numbers

# Q3 2016: New LANXESS segments contribute to EBITDA improvement



Total group sales including reconciliation

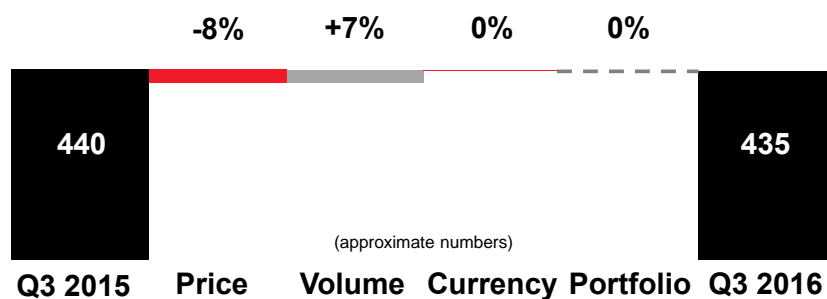
# Advanced Intermediates: Stable sales and higher earnings on improved utilization

[€ m]	Q3 2015	Q3 2016	Δ
Sales	440	435	-1.1%
EBIT	52	57	9.6%
Depr. / Amort.	24	26	8.3%
<b>EBITDA pre exceptionals</b>	<b>76</b>	<b>83</b>	<b>9.2%</b>
Margin	17.3%	19.1%	
Capex	22	30	36.4%

	9M 2015	9M 2016	Δ
Sales	1,386	1,341	-3.2%
EBIT	173	184	6.4%
Depr. / Amort.	74	76	2.7%
<b>EBITDA pre exceptionals</b>	<b>248</b>	<b>260</b>	<b>4.8%</b>
Margin	17.9%	19.4%	
Capex	50	61	22.0%



## Q3 sales bridge yoy [€ m]



## Q3 yoy effects

- Raw material price pass-through reflected in lower prices
- Strong volume growth in BU All driven by nearly all markets and compared to a low base (unplanned maintenance in Q3 2015)
- BU SGO balances agro headwind with growth in fine chemicals (e.g. Saltidin)
- Higher utilization rates lead to lower idle costs and support EBITDA

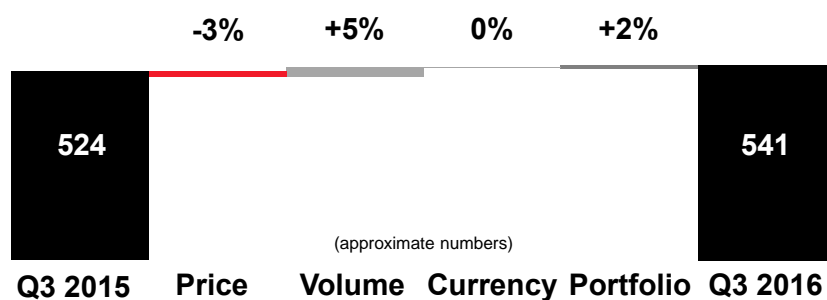
# Performance Chemicals: Stability at attractive profitability

[€ m]	Q3 2015	Q3 2016	Δ
Sales	524	541	3.2%
EBIT	63	68	7.9%
Depr. / Amort.	23	23	0.0%
<b>EBITDA pre exceptionals</b>	<b>86</b>	<b>91</b>	<b>5.8%</b>
Margin	16.4%	16.8%	
Capex	33	32	-3.0%

9M 2015	9M 2016	Δ
1,610	1,617	0.4%
210	235	11.9%
65	68	4.6%
<b>283</b>	<b>303</b>	<b>7.1%</b>
17.6%	18.7%	
<b>74</b>	<b>70</b>	<b>-5.4%</b>



## Q3 sales bridge yoy [€ m]



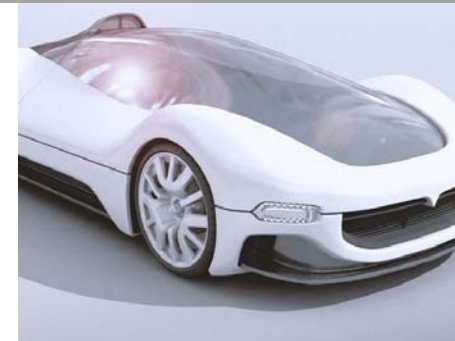
## Q3 yoy effects

- Volume growth drives top line compensating for lower selling prices mainly in BU LEA (chrome ore price)
- Chemours' Clean & Disinfect business with first sales contribution (closing August 31, 2016)
- Higher volumes in nearly all BUs: esp. BU ADD across all additives, BU LEA in organic leather chemicals and BU MPP with strength in high-margin products
- EBITDA increases on higher volumes

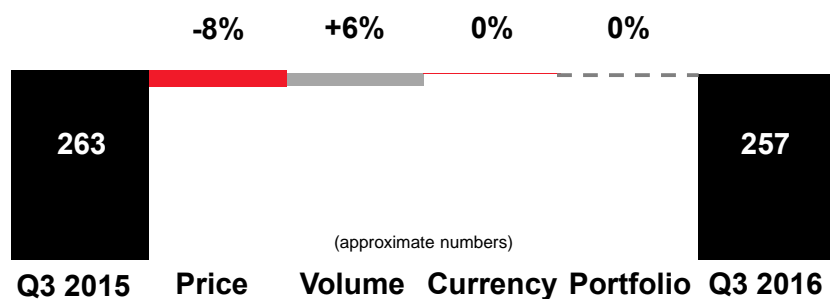
# High Performance Materials: Earnings step change due to improved product mix and favorable markets

[€ m]	Q3 2015	Q3 2016	Δ
Sales	263	257	-2.3%
EBIT	21	31	47.6%
Depr. / Amort.	11	11	0.0%
<b>EBITDA pre exceptionals</b>	<b>32</b>	<b>42</b>	<b>31.3%</b>
Margin	12.2%	16.3%	
Capex	4	6	50.0%

	9M 2015	9M 2016	Δ
Sales	847	805	-5.0%
EBIT	76*	92	21.1%
Depr. / Amort.	34	33	-2.9%
<b>EBITDA pre exceptionals</b>	<b>90</b>	<b>125</b>	<b>38.9%</b>
Margin	10.6%	15.5%	
Capex	15	15	0.0%



## Q3 sales bridge yoy [€ m]



## Q3 yoy effects

- Prices reflect lower input costs
- Volumes benefit from good demand in compounds across all regions; automobile notably strong in Asia
- Earnings and margin increase on the back of a positive mix effect due to a higher share of compounds
- Higher polyamide and compound volumes and respective higher capacity utilization support EBITDA

\* Includes exceptional income from disposal of spare infrastructure

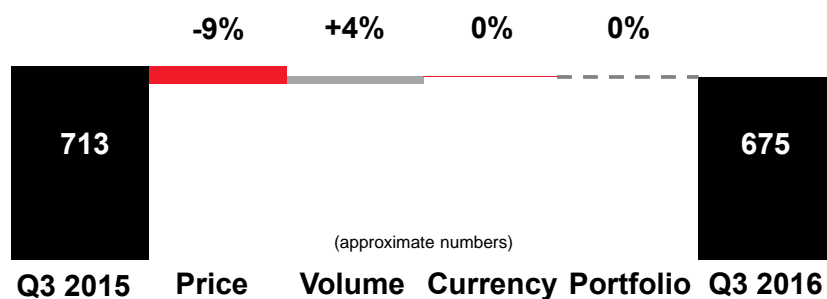
# ARLANXEO: A decent quarter in a persistently challenging market

[€ m]	Q3 2015	Q3 2016	Δ
Sales	713	675	-5.3%
EBIT	40	36	-10.0%
Depr. / Amort.	52	55	5.8%
<b>EBITDA pre exceptionals</b>	<b>94</b>	<b>91</b>	<b>-3.2%</b>
Margin	13.2%	13.5%	
Capex	38	32	-15.8%

	9M 2015	9M 2016	Δ
Sales	2,216	1,985	-10.4%
EBIT	130	134	3.1%
Depr. / Amort.	163	165	1.2%
<b>EBITDA pre exceptionals</b>	<b>307</b>	<b>299</b>	<b>-2.6%</b>
Margin	13.9%	15.1%	
Capex	81	72	-11.1%



## Q3 sales bridge yoy [€ m]



## Q3 yoy effects

- Persistent competitive price pressure in butyl rubber and EPDM exceeds raw material relief
- Continuing margin pressure in EPDM on rising raw material prices amid competitive pressure in Asia
- Volume growth in both BUs on the back of strong demand in Asia
- EBITDA supported by volume increase and respective better utilization



## Q3 2016: Another quarter with improved cash generation

[€ m]	Q3 2015	Q3 2016
<b>Profit before tax</b>	<b>68</b>	<b>100</b>
Depreciation & amortization	114	119
Financial (gains) losses	17	9
Cash tax payments/refunds	-47	-37
Changes in other assets and liabilities	76	91
<b>Operating cash flow before changes in WC</b>	<b>228</b>	<b>282</b>
Changes in working capital	-38	22
<b>Operating cash flow</b>	<b>190</b>	<b>304</b>
<b>Investing cash flow</b>	<b>46</b>	<b>-170</b>
Thereof capex	-100	-106
Thereof Chemours' C&D acquisition	0	-198
<b>Financing cash flow</b>	<b>-75</b>	<b>-264</b>

- Operating cash flow improved in line with earnings improvement – free cash flow covered Chemours' C&D acquisition
- Change in other assets and liabilities reflects amongst others provisions for variable compensation
- Working capital reduction driven by lower receivables and higher payables
- Net cash outflow (~€200 m) for Chemours' C&D business reflected in investing cash flow
- Financing cash flow reflects €200 m repayment of bond

# Balance sheet – Strong and ready to carry planned Chemtura acquisition

[€ m]	Dec 2015	Sept 2016
Total assets	7,219	8,242
Equity (incl. non-controlling interest)	2,323	3,453
<b>Equity ratio</b>	<b>32%</b>	<b>42%</b>
<b>Net financial debt</b> (after deduction of current financial assets)	<b>1,211</b>	<b>203</b>
Near cash, cash & cash equivalents	466	523
Pension provisions	1,215	1,479
<b>ROCE<sup>1</sup></b>	<b>8.4%</b>	<b>8.2%</b>
Net working capital	1,526	1,752
DSI (in days) <sup>2</sup>	67	65
DSO (in days) <sup>3</sup>	48	51

- Total assets higher with €1.2 bn cash-in for 50% ARLANXEO and respective increase in equity for non-controlling interest (April 1, 2016)<sup>4</sup>
- Pension provision up mainly on lower discount rates in Germany (1.5% from 3.0% year end '15)
- Rock solid balance sheet with very low net financial debt
- ROCE technically lower after balance sheet extension from ARLANXEO cash-in<sup>4</sup>
- DSO increase reflects strong business activity in Q3 vs year end 2015

<sup>1</sup> Based on last twelve months for EBIT pre

<sup>2</sup> Days sales of inventory calculated from quarterly sales

<sup>3</sup> Days of sales outstanding calculated from quarterly sales

<sup>4</sup> On April 1, 2016, LANXESS placed 50% of its rubber business in a joint venture with Saudi Aramco, receiving in return ~€1.2 bn in cash

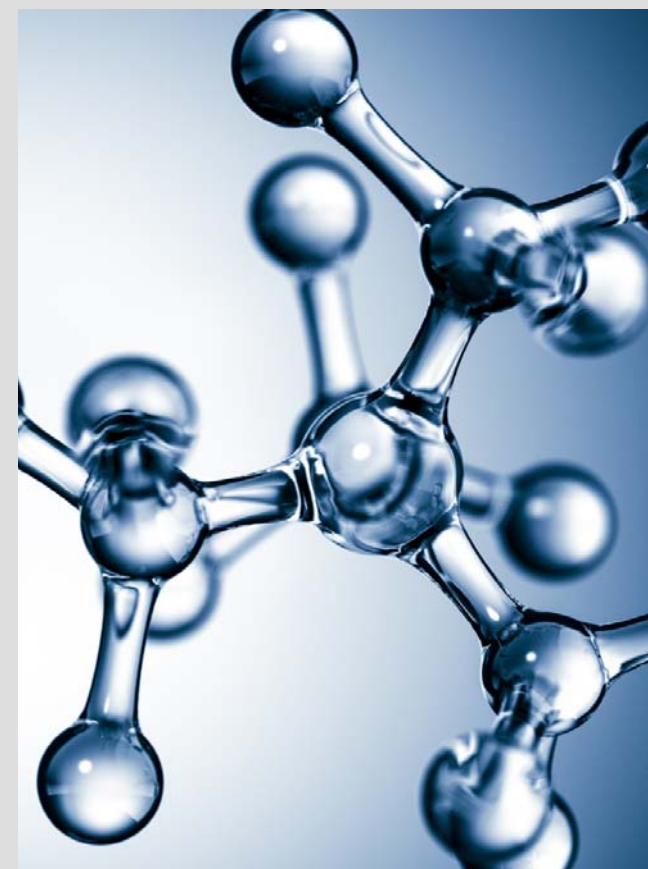
# Guidance lifted on the back of good year-to-date performance

**Updated: FY 2016 EBITDA pre now expected to be between €960 m – €1,000 m**

- Good underlying business across the segments year-to-date
- Realignment progressing well with some accelerated savings

**Considerations for Q4 2016: normal seasonal pattern, however some additional headwinds**

- Advanced Intermediates with unusual strong prior-year base and agro business generally weaker this year (esp. for BU SGO in Q4 2016)
- Automobile weaker in Europe and US
- Continuing margin pressure in EPDM: competitive price pressure with rising raw material prices
- Suppliers' outages (Singapore and Europe) burden



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**Backup**

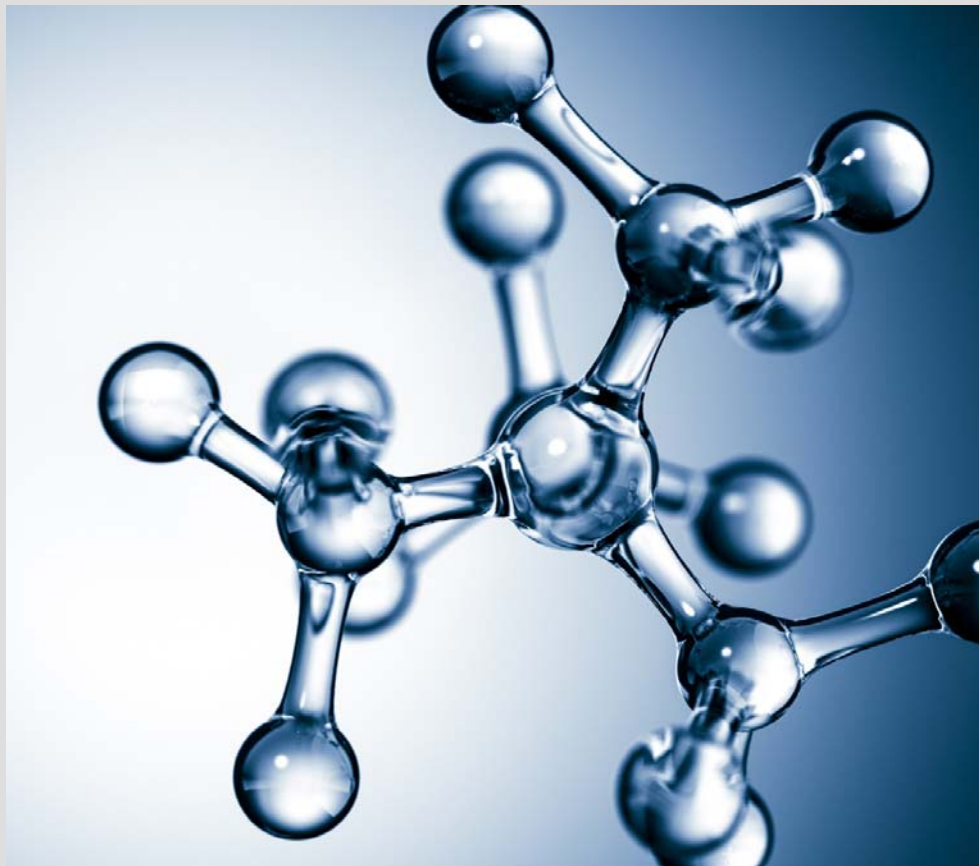
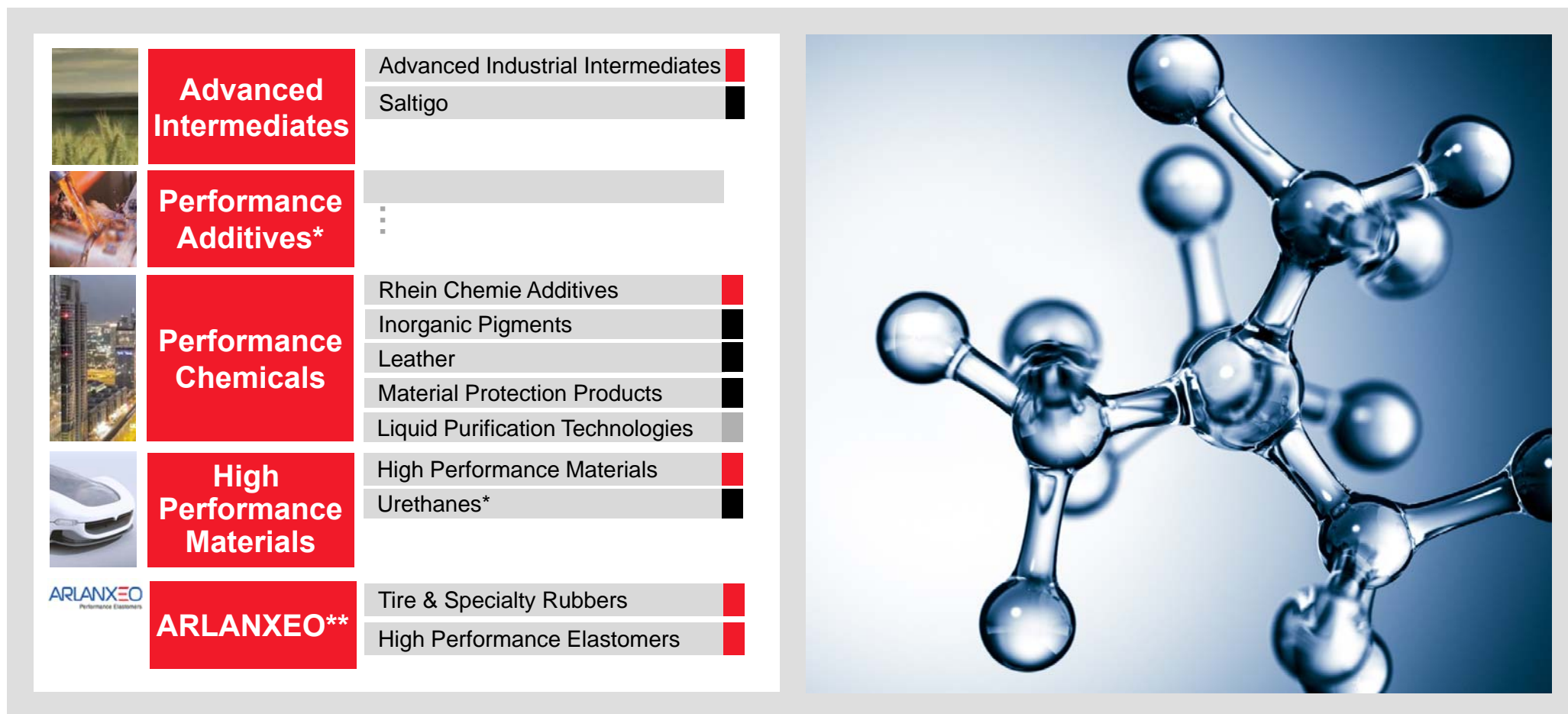
# Housekeeping items

## Additional financial expectations

- Capex 2016: ~€450 m (thereof ~€150 m ARLANXEO)
- Operational D&A 2016: ~€460 m (thereof ~€220 m ARLANXEO)
- Reconciliation 2016: underlying exp. of ~€150 m EBITDA pre Hedging exp. now expected ~€70 m (hedging guidance adjusted: additional relief in Recon from hedging is balanced by FX burden in operations)
- Annual tax rate:
  - 2016: around 2015 level
  - mid-term: 30-35% (for New LANXESS)



# A diversified business set-up

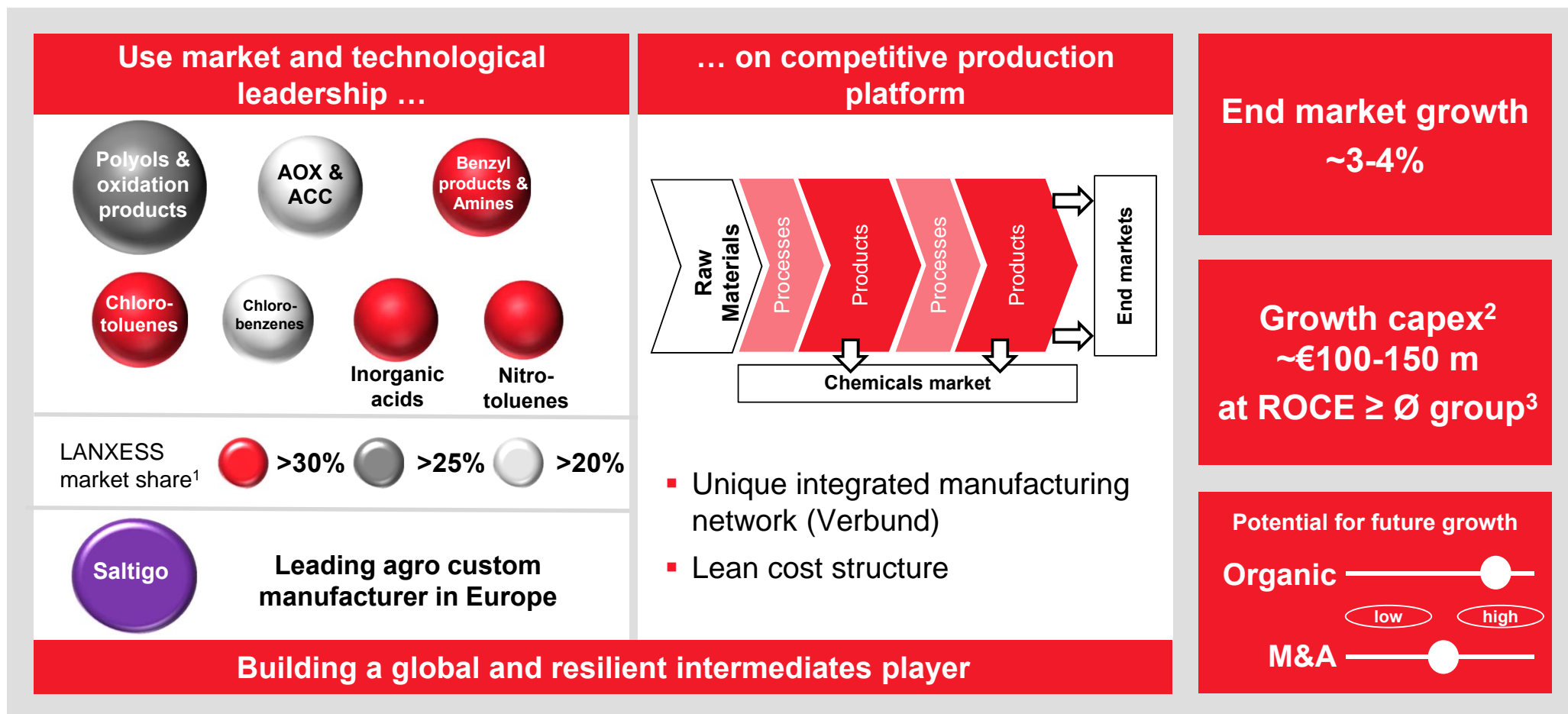


\* Future reporting segment after planned acquisition of Chemtura

\*\* ARLANXEO fully consolidated by LXS for the first three years

■ Sales: > €500 m   
 ■ Sales: €200 m – 500 m   
 ■ Sales: < €200 m

# Advanced Intermediates: Efficient, resilient, expandable



Bubble sizes represents sales

<sup>1</sup> By capacity

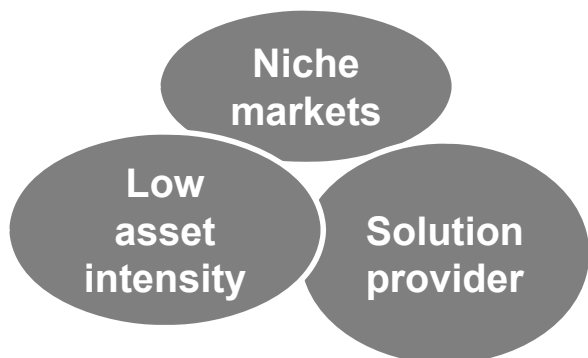
<sup>2</sup> Growth capex for the years 2016-2020

<sup>3</sup> Refers to New LANXESS



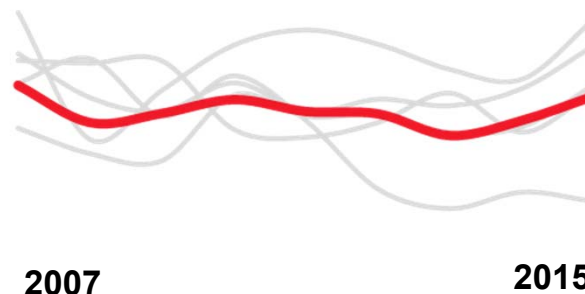
# Performance Chemicals: Making them shine

Leverage technology positions...



... and upgrade product mix further

Segment & BUs EBITDA margin



End market growth  
~3%

Growth capex\*  
~€100-150 m  
at ROCE  $\geq$   $\emptyset$  group\*\*

Additives



Pigments



Biocides



Leather



Water



Building a specialty division through organic and external growth

Potential for future growth

Organic

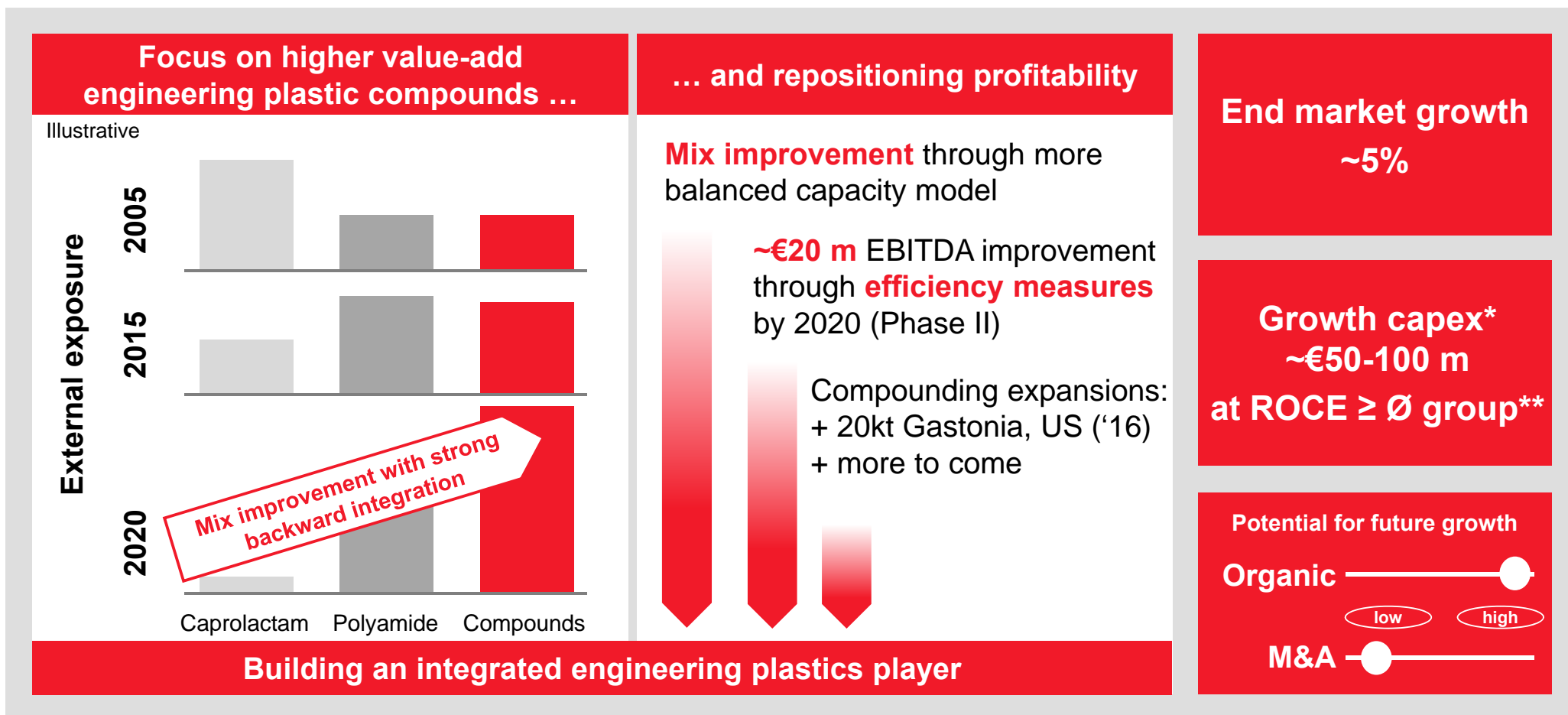
low high

M&A

\* Growth capex for the years 2016-2020

\*\* Refers to New LANXESS

# High Performance Materials: It's growth and mix



\* Growth capex for the years 2016-2020

\*\* Refers to New LANXESS

# Acquisition of Chemtura: Establishing a major global additives player



**A global, specialty chemical company  
operating in the attractive field of additives**

**Lubricant additives**



**Flame retardants**



- Sales ~€1.5 bn
- EBITDA adj. ~€245 m
- ~2,500 employees
- 20 sites in 11 countries

## **Rationale of acquisition:**

- Complementary additive businesses with significant synergies (~€100 m)
- Strengthening global presence and end market diversification
- Strengthening business risk profile

- Equity value ~€1.9 bn (\$33.50 per share)
- Net financial debt and pensions ~€500 m  
→ Enterprise value of ~€2.4 bn

**EV/EBITDA ~7x  
including synergies**

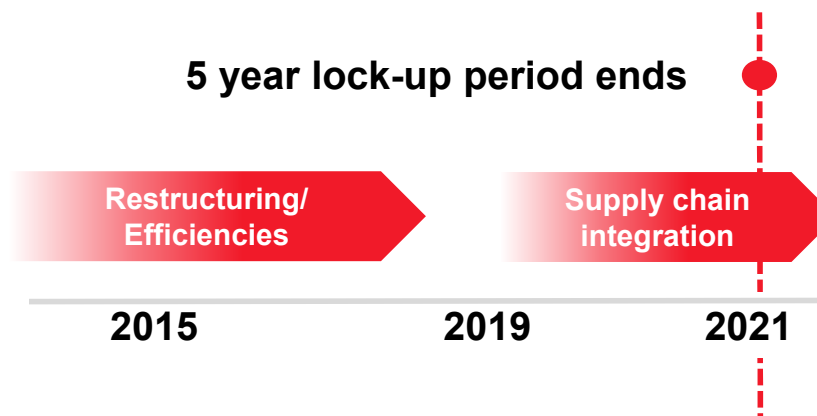
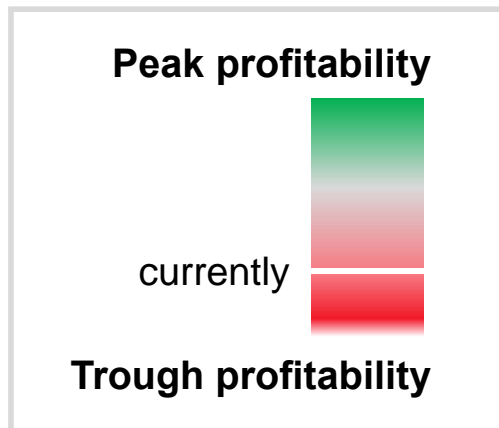
- Closing anticipated mid-2017

Sales and EBITDA are based on Q2 2016 LTM, USD/EUR 1.10

# And finally a few thoughts on ARLANXEO

## Excellent position through the strength of both partners

- Leadership position in most rubber types with global reach
- Leadership in quality and technology
- Improvement of production costs (restructuring and implementation of efficiency measures)
- Improvement of raw material access by building and integrating supply chains



End market growth  
~3-4%

Well invested asset  
base

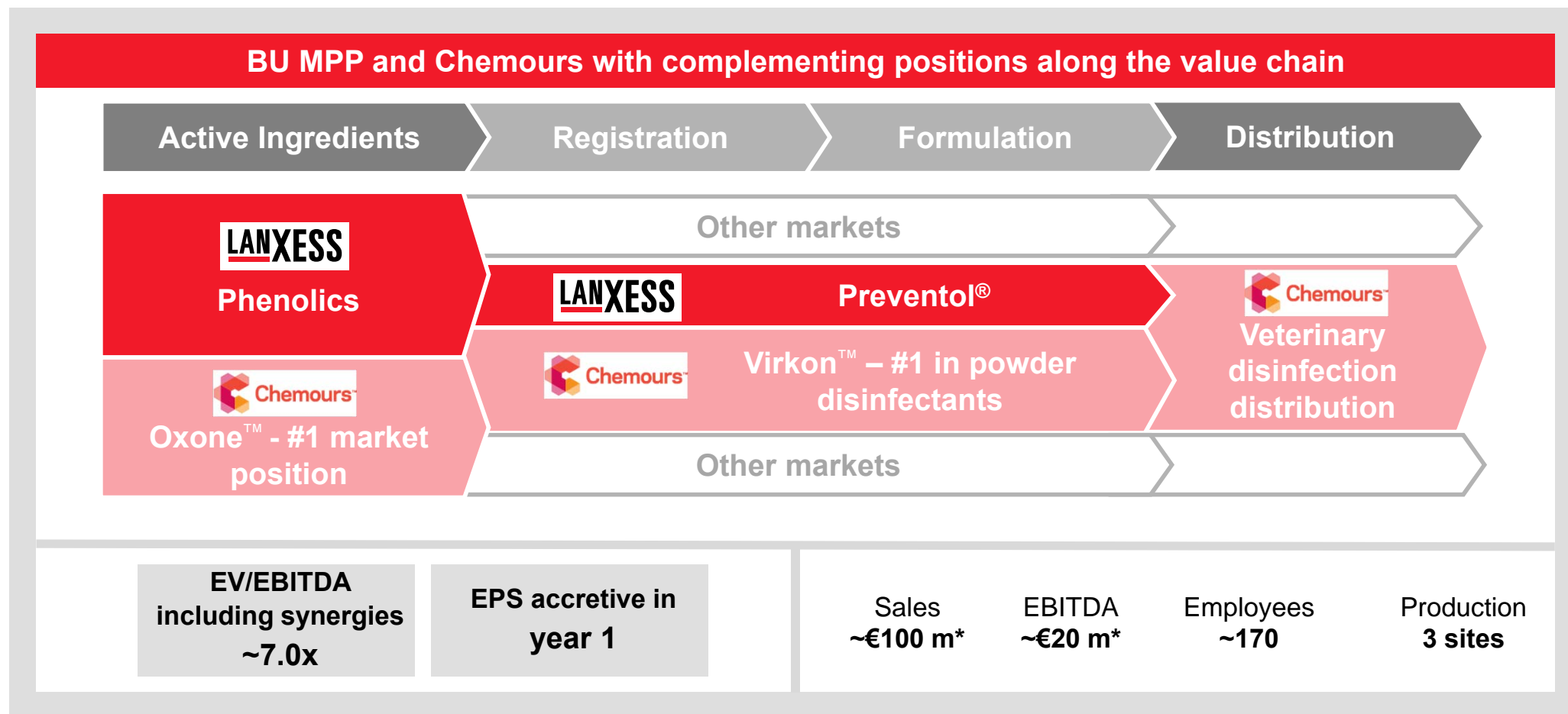
Potential for future growth

Organic

low high





M&A

# Swift action on growth strategy has already been taken in our Performance Chemicals segment



\* Financials FY 2015 pro forma pre exceptionals; FX: 1.10 USD/EUR

# 9M 2016: Good volume growth in all segments

9M yoy sales variances		Price	Volume	Currency	Portfolio	Total
	Adv. Intermediates	-7%	+4%	0%	-	-3%
	Perf. Chemicals	-2%	+3%	0%	0%	0%
	High Perf. Materials	-8%	+4%	0%	-	-5%
	ARLANXEO	-11%	+1%	0%	-	-10%
<b>LANXESS</b>		<b>-7%</b>	<b>+3%</b>	<b>0%</b>	<b>0%</b>	<b>-5%</b>

- Lower selling prices in all segments reflect lower raw material costs
- All segments record volume growth; New LANXESS particularly strong
- Negligible currency and portfolio effects in sales

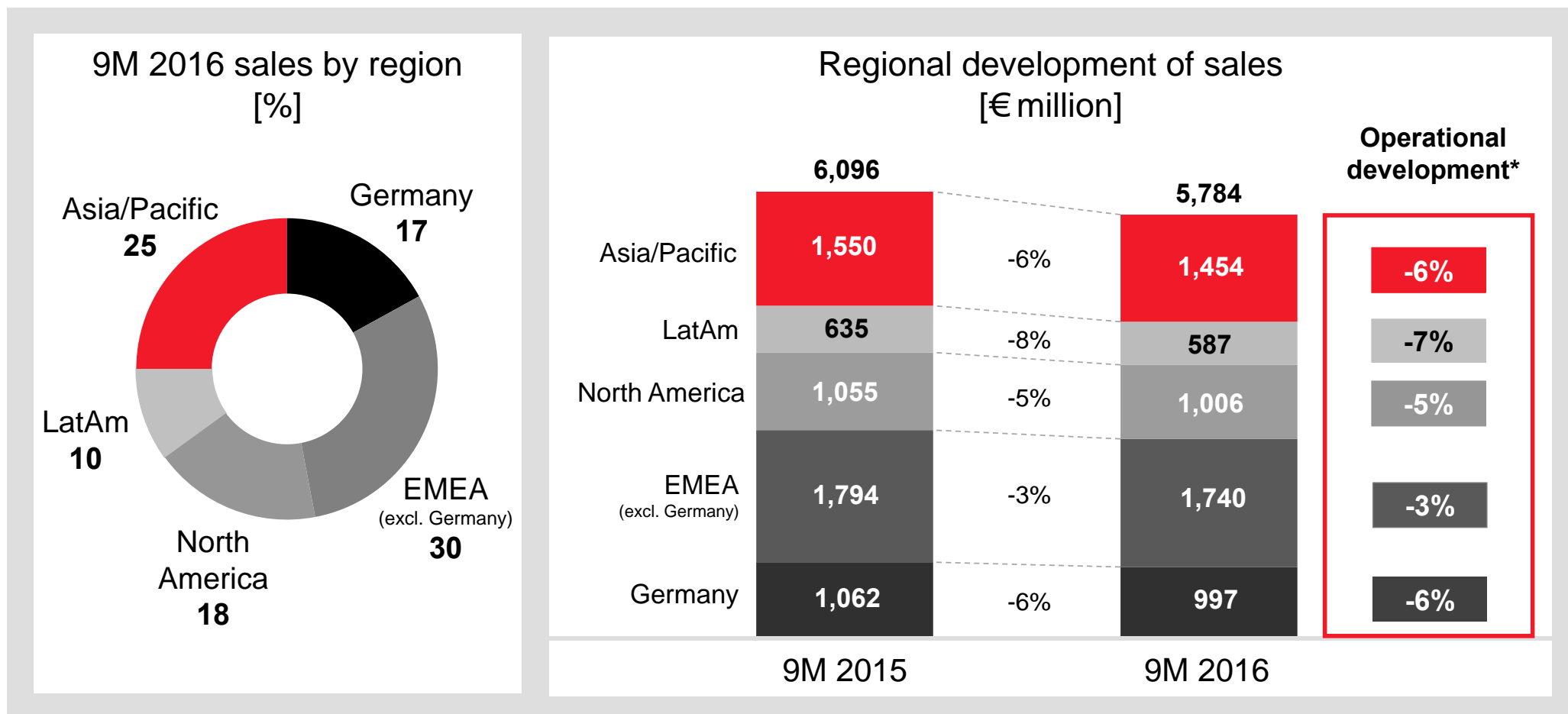
## 9M yoy EBITDA pre bridge [€ m]



- Higher volumes beneficial to EBITDA
- Price/cost squeeze largely due to ARLANXEO
- Positive effect from FX\*, the absence of ramp-up and lower idle costs reflected in “Other”

\* Lower hedging expenses and favorable emerging markets' currencies

# 9M 2016: Lower sales as raw material price pass-through outpaces volume growth



\* Currency and portfolio adjusted

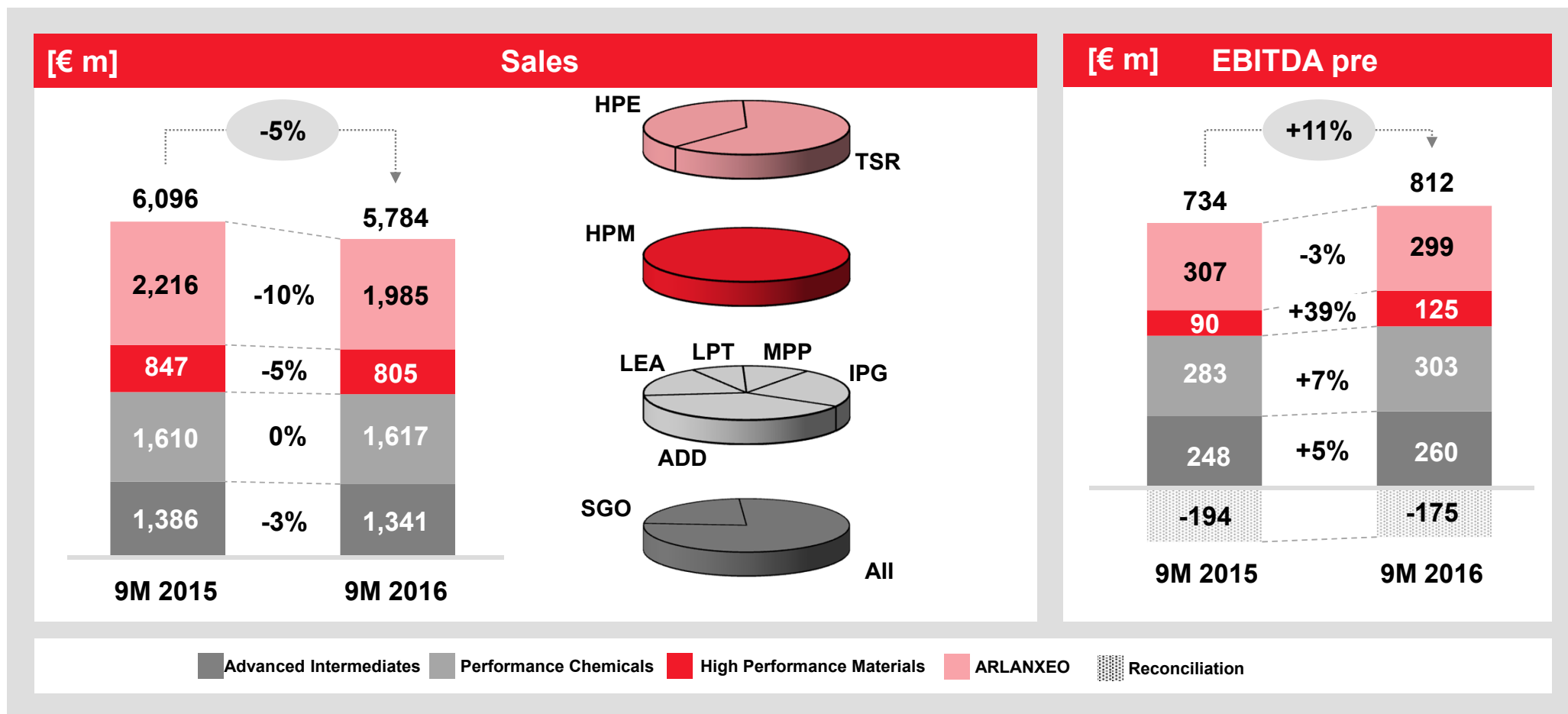
## 9M 2016: Realignment and underlying good business performance drive earnings

[€ m]	9M 2015		9M 2016		yoy in %
Sales	6,096	(100%)	5,784	(100%)	-5%
Cost of sales	-4,713	(77%)	-4,400	(76%)	7%
Selling	-573	(9%)	-577	(10%)	-1%
G&A	-202	(3%)	-212	(4%)	-5%
R&D	-98	(2%)	-96	(2%)	2%
<b>EBIT</b>	<b>344</b>	<b>(6%)</b>	<b>429</b>	<b>(7%)</b>	<b>25%</b>
Non-controlling interests	-1	(0)	6	(0%)	>100%
<b>Net Income</b>	<b>150</b>	<b>(2%)</b>	<b>190</b>	<b>(3%)</b>	<b>27%</b>
<b>EPS pre</b>	<b>1.97</b>		<b>2.28</b>		<b>16%</b>
EBITDA	692	(11%)	783	(14%)	13%
thereof exceptionals	-42	(1%)	-29	(1%)	31%
<b>EBITDA pre exceptionals</b>	<b>734 (12.0%)</b>		<b>812 (14.0%)</b>		<b>11%</b>

- Cost of sales decrease disproportionately to sales mainly due to lower idle costs, absence of ramp-up costs (~€25 m in Q1'15) and savings
- G&A influenced amongst other by dissynergies from ARLANXEO
- Net income and EPS pre increase on visible business improvement despite deduction of non-controlling interests



# 9M 2016: Recovering earnings power



Total group sales include reconciliation

# 9M 2016: Continued strong cash flow conversion

[€ m]	9M 2015	9M 2016
<b>Profit before tax</b>	<b>246</b>	<b>341</b>
Depreciation & amortization	348	354
Gain from sale of assets	-42	0
Financial (gains) losses	49	42
Cash tax payments/refunds	-70	-98
Changes in other assets and liabilities	-28	96
<b>Operating cash flow before changes in WC</b>	<b>503</b>	<b>735</b>
Changes in working capital	-161	-203
<b>Operating cash flow</b>	<b>342</b>	<b>532</b>
<b>Investing cash flow</b>	<b>-166</b>	<b>-1,095</b>
Thereof capex	-229	-228
Thereof cash inflows from/cash outflows for financial assets	14	-481
Thereof CTA* funding & Chemours C&D acquisition	0	-398
<b>Financing cash flow</b>	<b>-232</b>	<b>714</b>

- Swing in changes in other assets and liabilities driven by effects from hedging of intercompany financing and less restructuring
- Investing cash flow reflects:
  - Investment in financial assets from funds received due to ARLANXEO closing\*\*
  - €200 m funding for German pension assets (CTA)
  - ~€200 m for Chemours' C&D acquisition
- Financing cash flow reflects cash-in for 50% ARLANXEO share (~€1.2 bn) and repayment of several financial liabilities

\* CTA: Contractual Trust Arrangement

\*\* Closing of ARLANXEO on April 1, 2016, leading to cash-in of ~€1.2 bn

## Balance sheet extended due to ARLANXEO effects

[€ m]	Dec'15	Sep'16		Dec'15	Sep'16
<b>Non-current assets</b>	<b>4,180</b>	<b>4,400</b>	<b>Stockholders' equity</b>	<b>2,323</b>	<b>3,453</b>
Intangible assets	300	481	attrib. to non-contr. interests	13	1,124
Property, plant & equipment	3,447	3,339	<b>Non-current liabilities</b>	<b>2,936</b>	<b>3,218</b>
Equity investments	0	0	Pension & post empl. provis.	1,215	1,479
Other investments	12	11	Other provisions	271	279
Other financial assets	21	19	Other financial liabilities	1,258	1,256
Deferred taxes	361	510	Tax liabilities	19	16
Other non-current assets	39	40	Other liabilities	127	104
			Deferred taxes	46	84
<b>Current assets</b>	<b>3,039</b>	<b>3,842</b>	<b>Current liabilities</b>	<b>1,960</b>	<b>1,571</b>
Inventories	1,349	1,395	Other provisions	411	467
Trade accounts receivable	956	1,084	<b>Other financial liabilities</b>	<b>443</b>	<b>78</b>
Other current financial assets	4	589	Trade accounts payable	779	727
Other current assets	264	251	Tax liabilities	85	138
Near cash assets	100	2	Other liabilities	242	161
Cash and cash equivalents	366	521			
<b>Total assets</b>	<b>7,219</b>	<b>8,242</b>	<b>Total equity &amp; liabilities</b>	<b>7,219</b>	<b>8,242</b>

- €1.2 bn cash received from Saudi Aramco for 50% in ARLANXEO JV, mainly allocated to current financial assets as well as cash and cash equivalents; equity increased respectively with non-controlling interest of Saudi Aramco in ARLANXEO JV
- Financial liabilities down mainly due to €200 m bond repayment in September '16 (5.5% coupon)

# Corporate Responsibility well integrated - achieving goals sustainably

## Climate / Environmental goals

- Reduction of specific CO<sub>2</sub> emission by 25%<sup>1</sup> until 2025
- Reduction of specific energy consumptions by 25%<sup>1</sup> until 2025
- Reduction of volatile organic compounds (NMVOC<sup>3</sup>) emissions by 25%<sup>1</sup> until 2025

## Procurement initiatives

- 'Supplier Code of Conduct' for supplier selection and rating
- 'Together for Sustainability' initiative<sup>2</sup> for higher transparency in the supply chain (implementation of a global auditing program)

## Safety goals

- Xact: Global safety program to improve occupational, process and plant safety (since 2011)
- Global management system for optimization of transportation of (dangerous) goods

## Social initiatives and goals

- Global board initiative 'Diversity & Inclusion': raising the proportion of women in management to 20% by 2020
- Leverage water know-how: support of AMREF<sup>4</sup>
- Education initiatives with local and global commitment



<sup>1</sup> Base year: 2015; for CO<sub>2</sub>: Scope 1 and Scope 2 emissions

<sup>2</sup> Members: BASF, Bayer, Evonik, Henkel, LANXESS, Akzo Nobel, Solvay

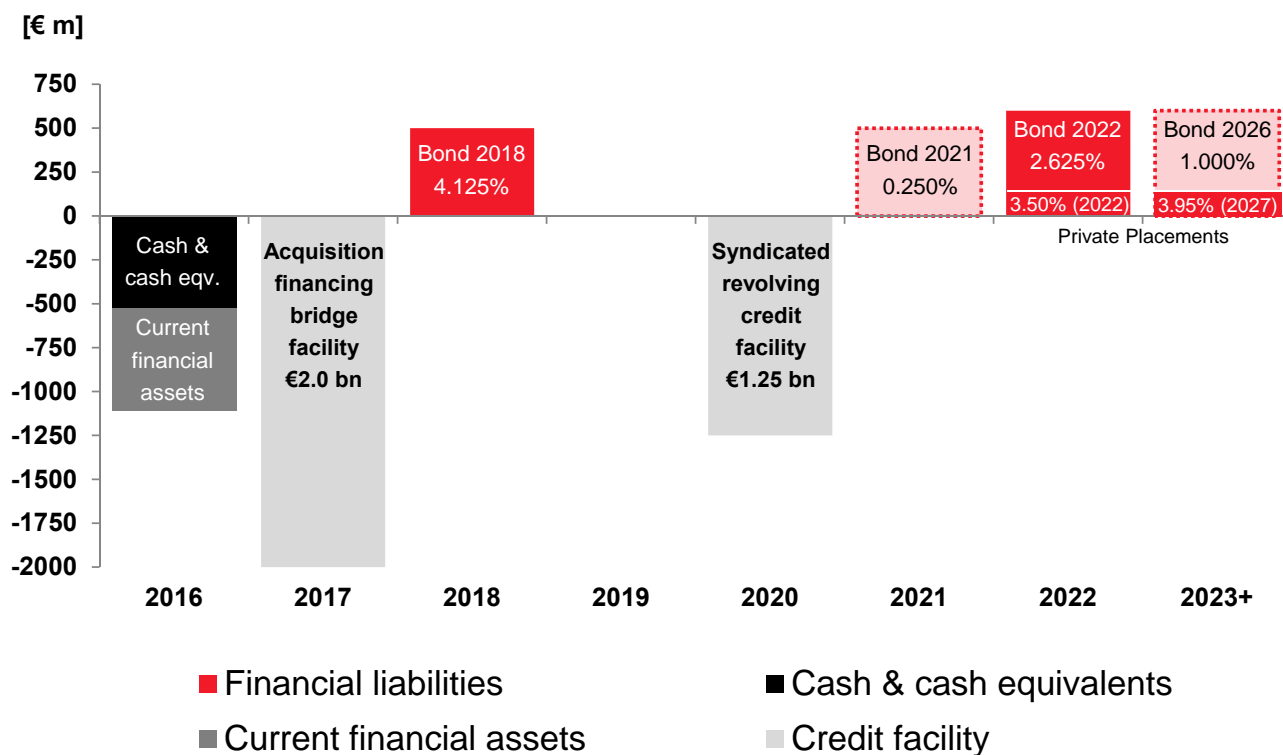
<sup>3</sup> Non methane volatile organic compounds; <sup>4</sup> African Medical and Research Foundation

# A well managed and conservative maturity profile

## Long term financing secured

- Diversified financing sources
  - Bonds & private placements
  - Syndicated credit facility
- Average interest rate of financial liabilities < 2.5%
- All group financing executed without financial covenants
- Financing of Chemtura acquisition secured with cash on balance sheet and an initial bridge loan facility of €2.0 bn
- €1.0 bn of bonds issued with settlement on October 7, 2016

## Liquidity and maturity profile as per September 2016\*



\* Bonds due in 2021 and 2026 were issued beginning of October 2016

# High volatility in raw material prices

Global raw materials index\*



- Sharp decline in raw material prices in Q4 2014/ Q1 2015 driven by a steep drop in the price of oil
- Raw material prices remained volatile, trending downwards through year end 2015
- 2016 with a moderate upward trend since the start of the year

\* Source: LANXESS, average 2013 = 100%

# Abbreviations

## ARLANXEO

- TSR Tire & Specialty Rubbers
- HPE High Performance Elastomers

## Performance Chemicals

- ADD Rhein Chemie Additives
- IPG Inorganic Pigments
- LEA Leather
- MPP Material Protection Products
- LPT Liquid Purification Technologies

## Advanced Intermediates

- All Advanced Industrial Intermediates
- SGO Saltigo

## High Performance Materials

- HPM High Performance Materials

# Upcoming events 2016 / 2017

## Proactive capital market communication

2016

- |   |                |           |
|---|----------------|-----------|
| ▪ Morgan Stanley Global Chemical Conference | November 15    | Boston    |
| ▪ UBS European Conference 2016              | November 15/16 | London    |
| ▪ Deutsche Börse Eigenkapital Forum         | November 22    | Frankfurt |
| ▪ HSBC Zurich Conference                    | November 29    | Zurich    |

2017

- |  |                   |                |
|--|-------------------|----------------|
| ▪ Oddo Forum   | January 5/6       | Lyon           |
| ▪ Commerzbank German Investment Seminar                                  | January 10/11     | New York       |
| ▪ Unicredit/KeplerCheuvreux 16 <sup>th</sup> German Corporate Conference | January 16-18     | Frankfurt      |
| ▪ Bankhaus Lampe Conference  | February 2        | London         |
| ▪ HSBC SRI Conference  | February 7        | Frankfurt      |
| ▪ <b>FY results 2016</b>   | <b>March 16</b>   |                |
| ▪ <b>Q1 results 2017</b>   | <b>May 11</b>     |                |
| ▪ <b>Annual General Meeting</b>  | <b>May 26</b>     | <b>Cologne</b> |
| ▪ <b>Q2 results 2017</b>   | <b>August 10</b>  |                |
| ▪ <b>Q3 results 2017</b>   | <b>November 9</b> |                |



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