

The top half of the slide features a network diagram of grey and black nodes connected by lines, with three red nodes highlighted. A large, light grey 'X' is overlaid on the right side. A solid red horizontal bar is positioned below the network diagram.

Q2 2015 Roadshow

Another quarter of progress

Matthias Zachert, CEO

LANXESS
Energizing Chemistry

Safe harbor statement

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Agenda

- **Strategy summary**
- Executive summary and outlook Q2 2015
- Financial details Q2/H1 2015
- Backup

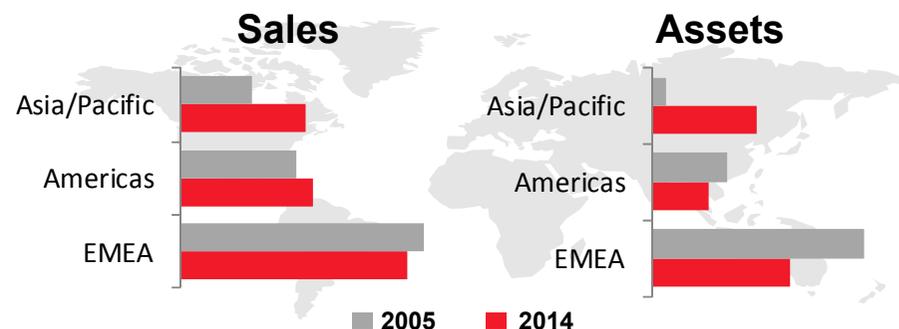
LANXESS – a strong and successful history

From a “NewCo” to a chemical brand

- Transformation from an “unwanted child” into an established chemical player
- Successful development rewarded and reflected externally (first share price @ 15.75€)



Increasing global footprint



Strong business leaderships

- Quality, technology and process leadership in many products across the company
- Strong market positions (#1-4 in most business units)



Good financial strength for most of the years

- Investment grade rating* since spin-off
- Strong maturity profile with long-term financing



BBB-
stab. outlook



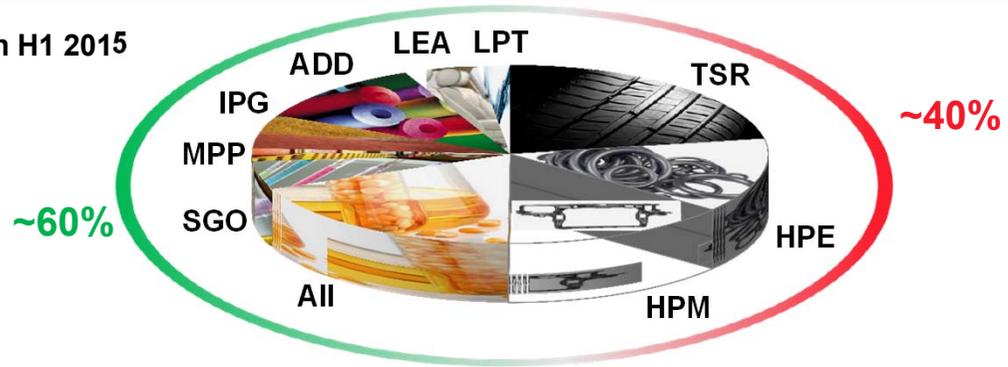
Moody's Investors Service

Baa3
stab. outlook

*Fitch (unsolicited) BBB- Rating terminated on March 11, 2015, on LANXESS' request

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

Sales breakdown H1 2015



- ✓ Well positioned
- ✓ Solid, but operational improvements targeted
- ! Strategic focus to address weaknesses

Good portfolio set-up

Challenging situation

Size & market positions



Asset base & end-market diversification



Cost structure & processes



Phase I-II

Supply / demand



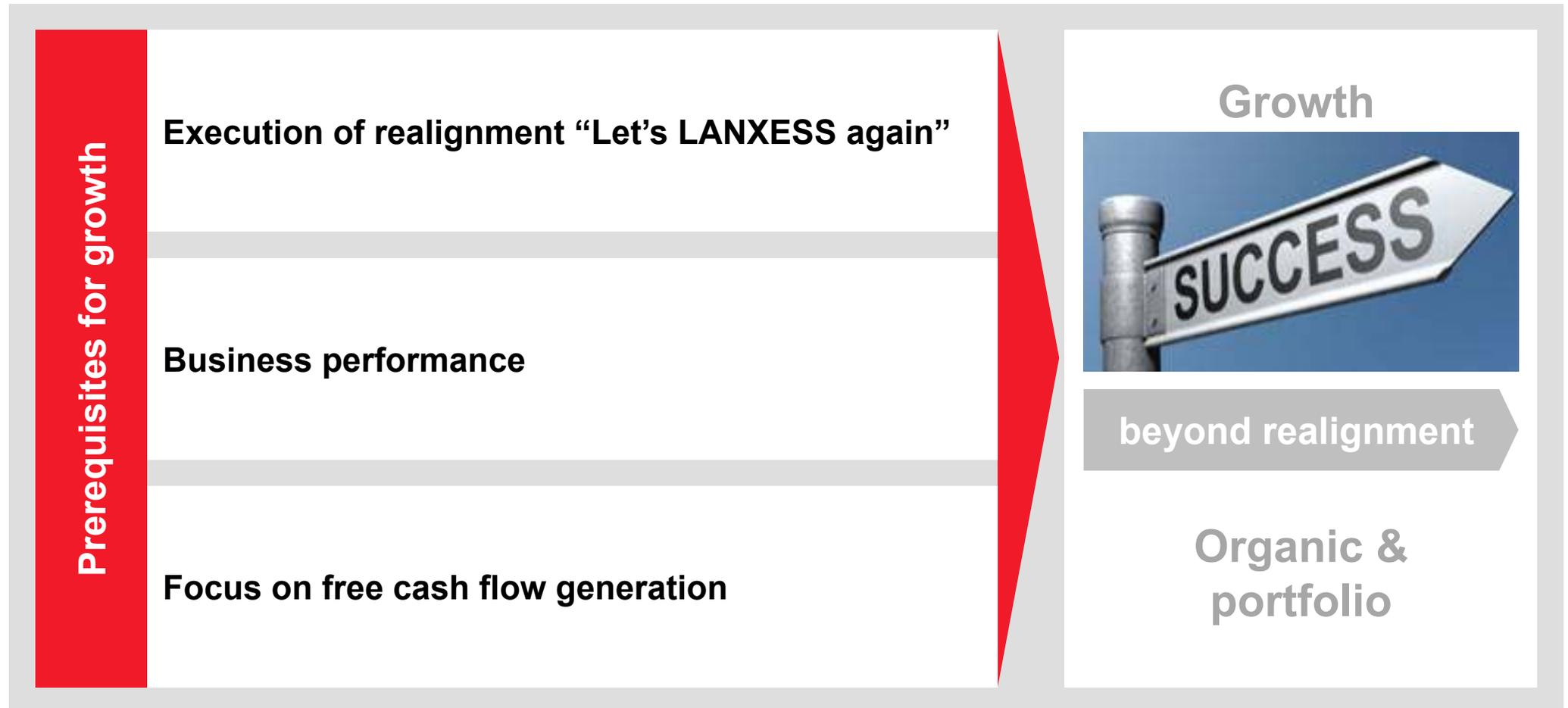
Phase III

Backward integration

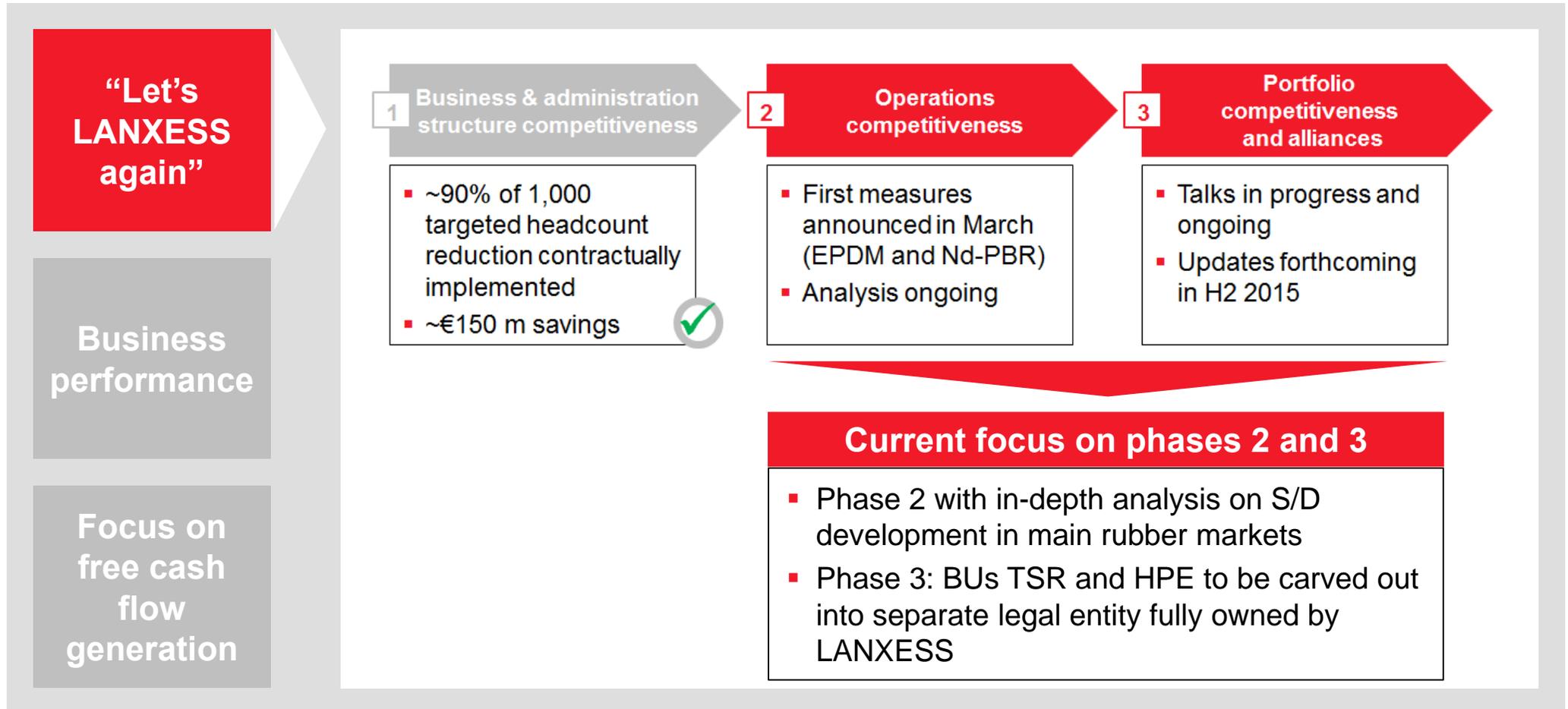
not needed



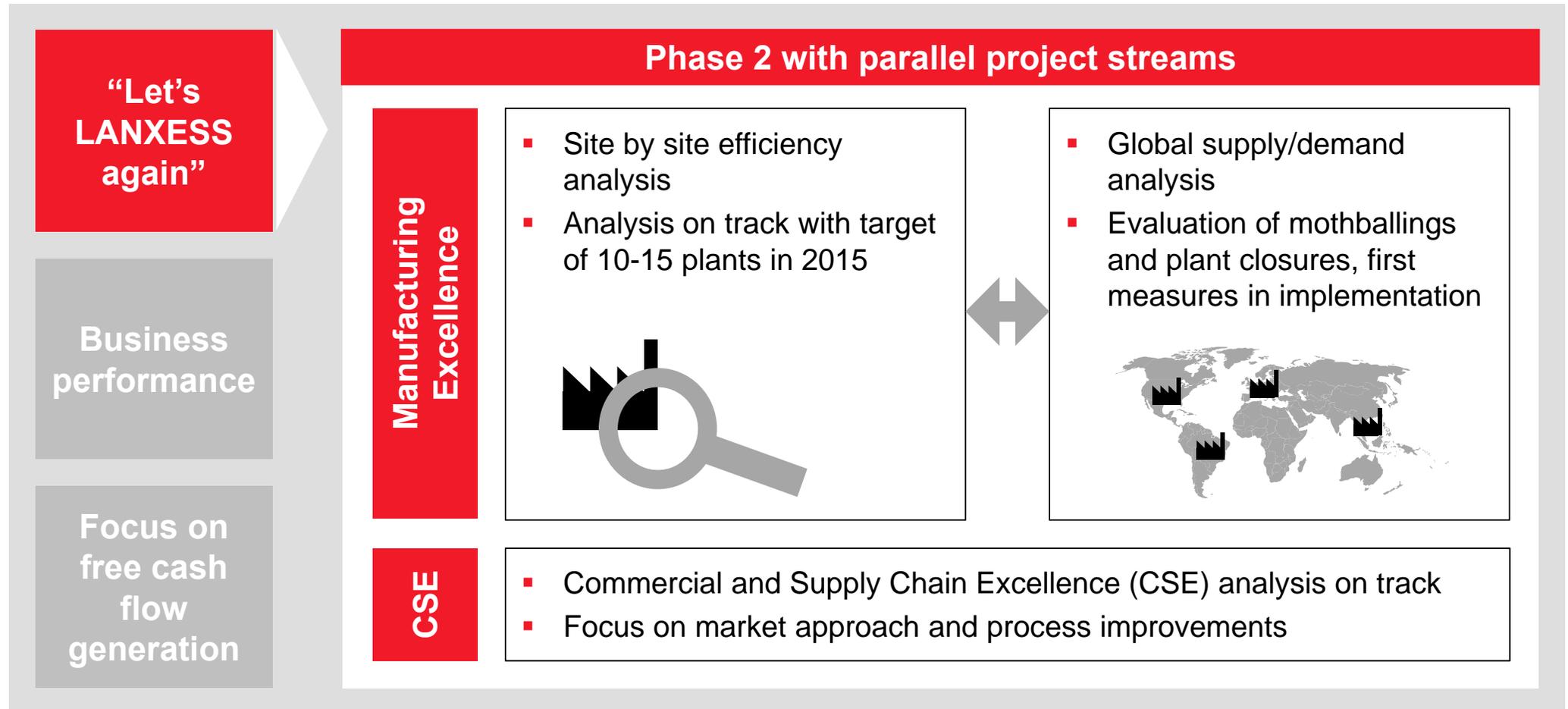
Self-help measures, solid business performance as well as a renewed focus on cash generation as prerequisites for growth



Realignment fully on track – focus now on phases 2 and 3



Phase 2 analysis focuses on best practice in production, improvement of S/D balance as well as market approach



Phase 3: Further upside through improved strategic set-up – BUs TSR and HPE to be carved out into separate legal entity

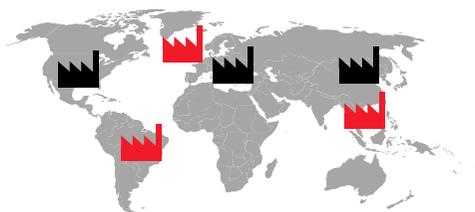
**“Let’s
LANXESS
again”**

**Business
performance**

**Focus on
free cash
flow
generation**

Horizontal cooperation

- e.g. optimization of rubber business
- Complementing regional and product portfolio
 - Synergy potential in all functional areas
 - Optimization of asset network, quality and technologies



Near term impact on performance

Vertical cooperation

- e.g. “as-if” backward integration
- Competitive access to raw materials (i.e. raw materials represent up to 70% of COGS)
 - Possible reduction of volatilities in cash flow and earnings

LANXESS currently a petrochem buyer



Strengthened integrated value chain

Medium term performance contribution

Performance Polymers: Underlying demand intact and steadily growing

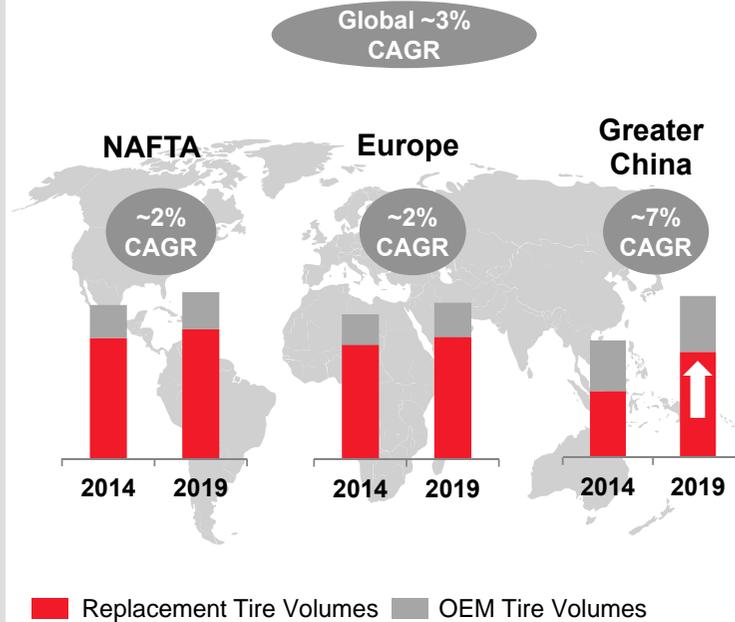
“Let’s
LANXESS
again”

**Business
performance**

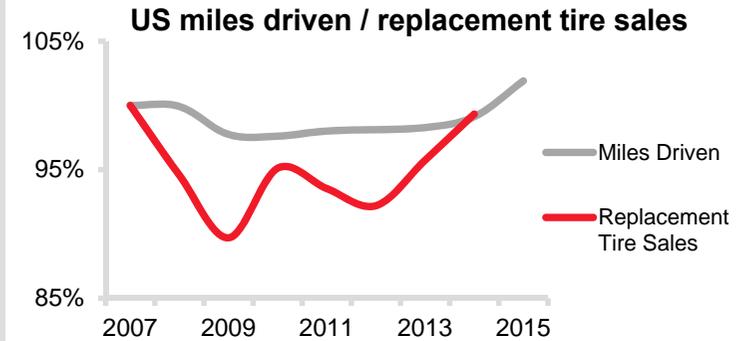
Focus on
free cash
flow
generation

**Replacement cycle will drive
growth in emerging markets**

Tire demand growth

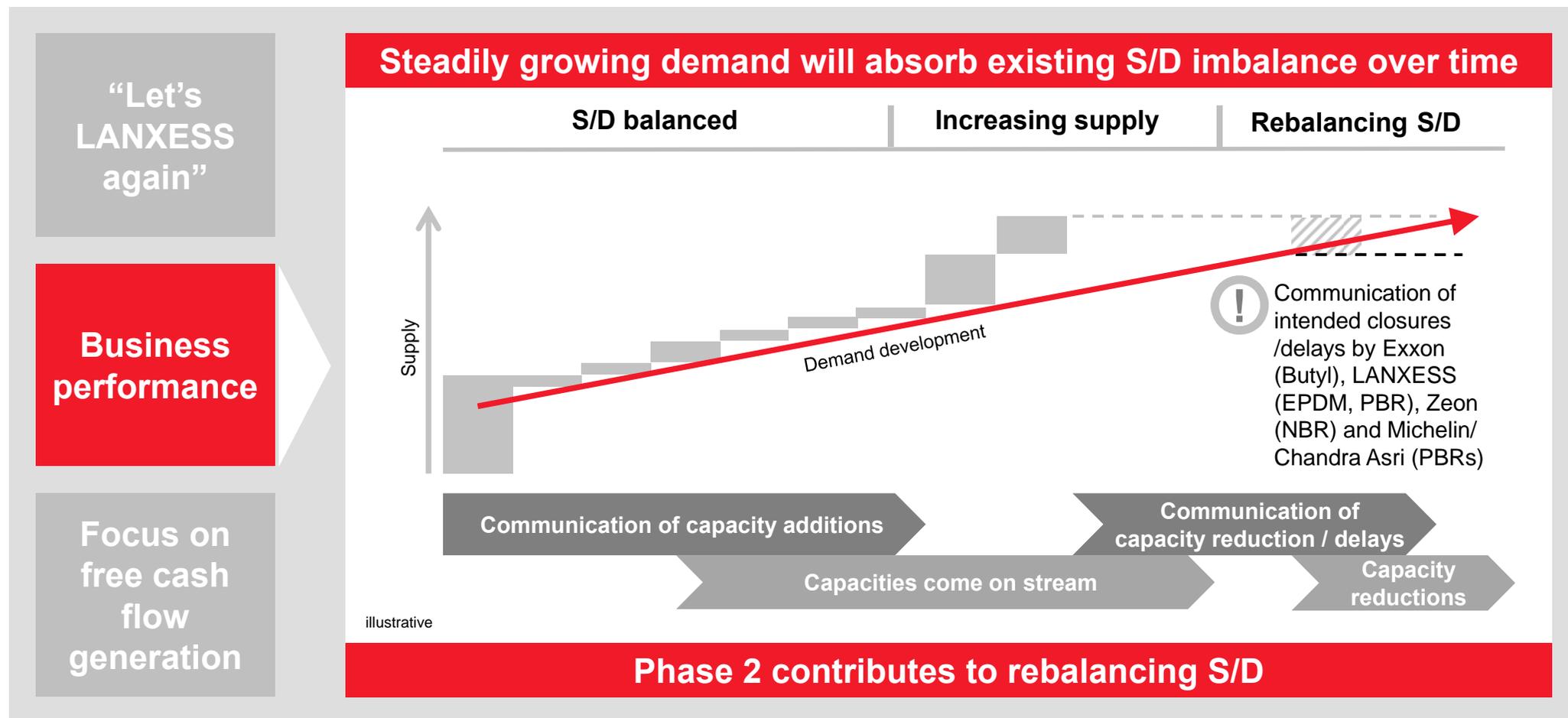


Long term growth intact



Source: US DOT: LTM trough May'15 in bn vehicle miles of travel; tire sales by LMC, LANXESS estimates

Performance Polymers: Tackling existing oversupply in synthetic rubber businesses



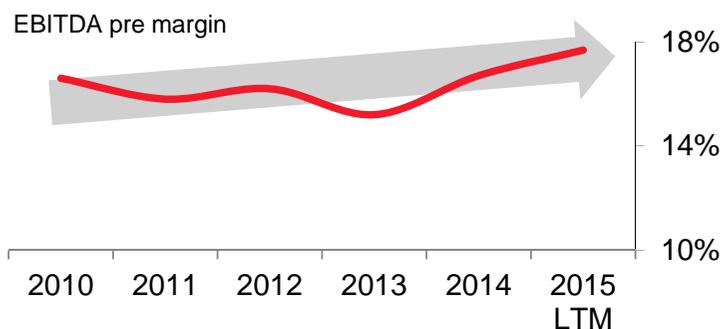
Advanced Intermediates and Performance Chemicals: Resilient and sound business platforms

“Let’s
LANXESS
again”

**Business
performance**

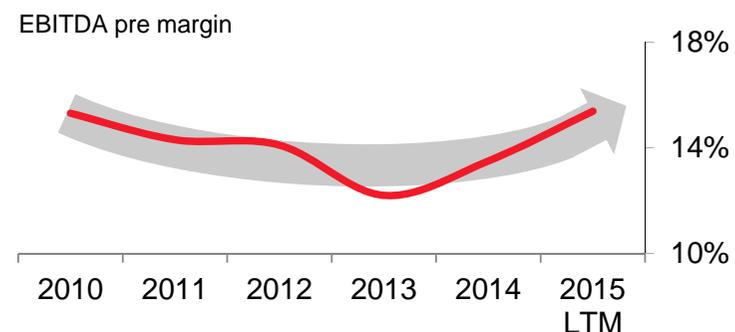
Focus on
free cash
flow
generation

Advanced Intermediates



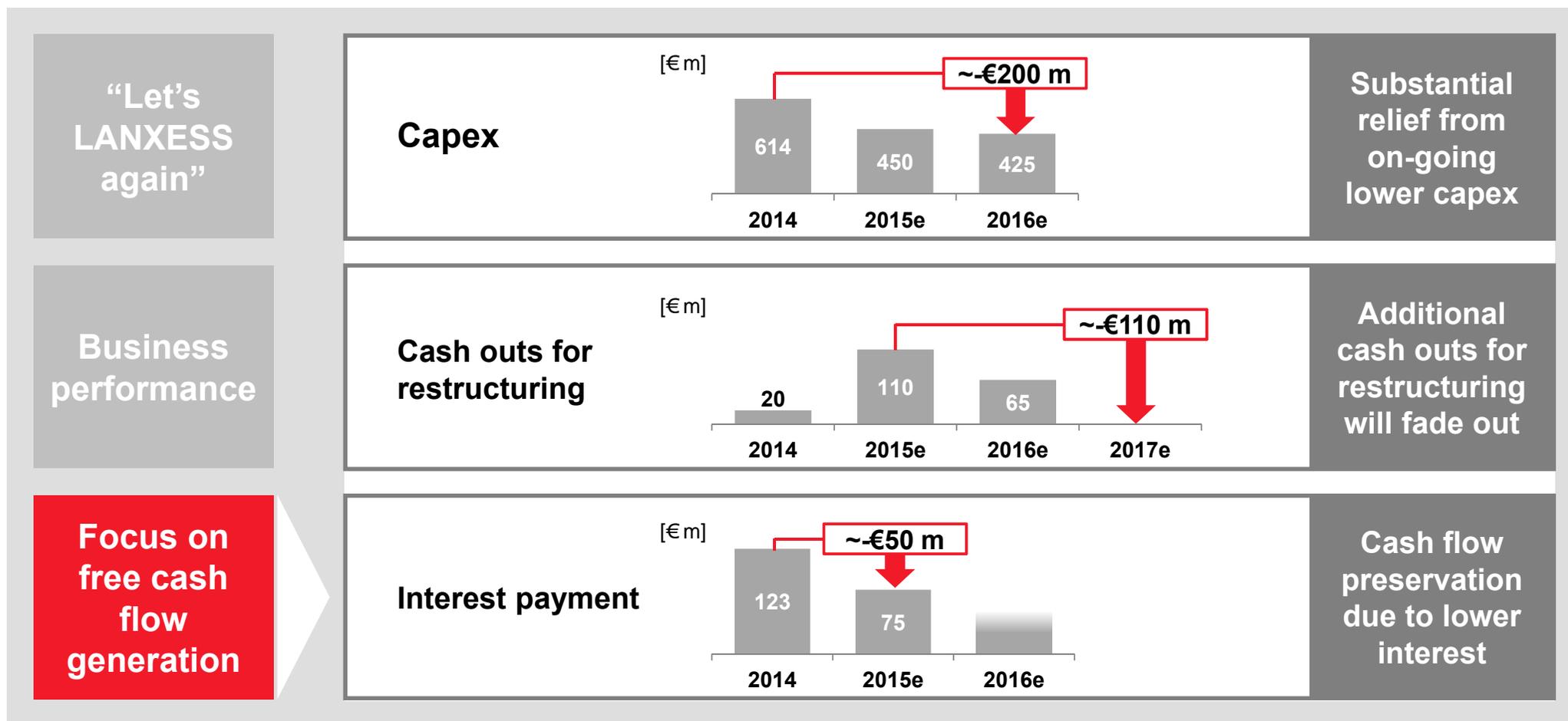
**Highly efficient and lean production network -
high barriers of entry**

Performance Chemicals



**Good positions in its niche markets - benefits
from increasing global environmental
standards**

All measures in place to generate free cash flow



Rating agencies acknowledge conservative financial policy

“Let’s
LANXESS
again”

Business
performance

Focus on
free cash
flow
generation

**STANDARD
& POOR’S**

July 13, 2015

Standard&Poor’s
BBB-
Stable outlook

- ...notwithstanding a persistent difficult operating environment in synthetic rubber and polymers, LANXESS performance will continue to improve and leverage will decrease.
- We also take into account the company's commitment to its financial policy, underlined by its equity issue in 2014.
- We view Lanxess' liquidity as "strong" (...) We also factor in the company's track record of access to debt markets and bank financing.



Moody's Investors Service

July 2, 2015

Moody's
Baa3
Stable outlook

- ...we draw comfort from management's renewed focus on improving the efficiency and financial strength of the group.
- ...the three-phase realignment and efficiency program initiated by Lanxess in May 2014, will help improve its overall operational efficiency and support the recovery in its financial performance.
- ...gradual recovery in operating profitability underpinned by restructuring benefits and receding capex will help Lanxess remain FCF positive.

A strong foundation for future growth



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Executive summary: A good quarter overall

Improved business performance

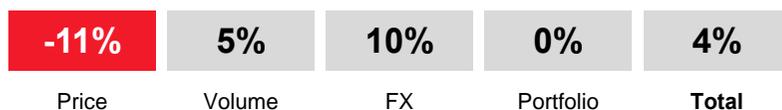


- EBITDA pre improvement of 13%
- Higher volumes, savings and positive currency effects drive EBITDA pre increase
- All three segments contribute to EBITDA pre increase, with Performance Chemicals showing the strongest improvement

Q2 2015: Higher volumes drive earnings

Sales and EBITDA pre Q2 2015

Sales variances yoy €2,105 m (€2,019 m)



- Sales up with higher volumes, while favorable currency effects mitigate lower prices
- Strong volume increase in Performance Polymers and Advanced Intermediates

EBITDA pre €270 m (€239 m)



- Volume increase clearly contributes to higher EBITDA
- Overall good management of input costs and selling prices
- “Other” includes savings and currency tailwinds, mitigated by idle costs and hedging

Higher sales and improved EBITDA pre

Q2 2015 financial overview: A strong quarter

[€ m]	Q2 2014	Q2 2015	yoy in %
Sales	2,019	2,105	4.3%
EBITDA pre except. margin	239 11.8%	270 12.8%	13.0%
EPS¹	0.63	0.95	50.8%
EPS pre ^{1/2}	0.79	0.73	-7.6%
Capex	154	73	-52.6%
Free Cash Flow³	24	46	91.7%

[€ m]	31.12.2014	30.06.2015	Δ %
Net financial debt	1,336	1,376	3.0%
Net working capital	1,600	1,765	10.3%
ROCE	7.9%	8.4%	
Employees	16,584	16,349	-1.4%

- EBITDA pre and margin improve mainly due to higher volumes and savings
- Capex lower after completion of intensive investment cycle
- Net financial debt stable
- Net working capital increase driven by higher receivables (higher sales in Jun vs. Dec) and currency effects

¹ Different number of shares: Q2 2014 ~88 m vs. Q2 2015 ~92 m

² Net of exceptionals, using the local tax rate applicable where the expenses were incurred

³ Operating cash flow minus capex

Q2 2015: All three segments contribute to strong EBITDA improvement

Performance Polymers

Price	Volume	Currency	Portfolio	Total
-17%	+9%	+12%	0%	+3%

- Lower prices driven mainly by raw material prices in all BUs
- Higher volumes across all BUs from a low base; BU HPM seeing continued good compound business
- EBITDA increase driven by high volumes and supported by favorable currency effects, but idle costs mitigate

[€ m]	Q2'14	Q2'15
Sales	1,036	1,072
 EBITDA pre	122	149
Margin	12%	14%

Advanced Intermediates

Price	Volume	Currency	Portfolio	Total
-9%	+7%	+6%	0%	+3%

- Prices in BU All affected by lower raw material prices; higher volumes at both BUs
- EBITDA slightly higher, supported by higher volumes and positive currency effects; unplanned maintenance activity led to higher idle costs
- Favorable Q1 '15 raw material effects reversed in Q2 '15

[€ m]	Q2'14	Q2'15
Sales	454	468
 EBITDA pre	78	80
Margin	17%	17%

Performance Chemicals

Price	Volume	Currency	Portfolio	Total
0%	-3%	+10%	0%	+7%

- Selling prices stable, while raw material prices are lower
- Lower volumes mainly attributable to BUs MPP and LEA
- The two flagship businesses (BUs IPG and ADD) with strongest performance
- Overall profitability driven by lower raw material prices, favorable currency effects and savings

[€ m]	Q2'14	Q2'15
Sales	518	553
 EBITDA pre	81	110
Margin	16%	20%

Restatement of 2014 due to reorganization that shifted accelerators and antioxidants businesses from Performance Chemicals to Advanced Intermediates

Despite weaker macro indicators, LANXESS raises FY guidance as self-help measures support

Customer industries and macroeconomic expectations for 2015

- Tire production growing slower than in 2014: less growth in Asia/Pacific and declining production in Latin America
- Automobile sector marked by slowing dynamics, driven by lower growth expectations for production in China
- Agrochemical demand to grow slower than in 2014
- Construction industry to grow less in 2015 than in 2014; Latin America, in particular Brazil, weaker, while North America now expected to be somewhat stronger
- US dollar to remain strong

LANXESS FY guidance 2015 raised

- FY 2015 EBITDA pre now expected between €840-880 m* based on a strong H1 2015



Working hard to accelerate self-help measures

* Based on an exchange rate of 1.10 USD/EUR and on the absence of raw material driven inventory devaluations

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Q2 2015: Overall, marked by good volumes and supportive currency effects

Q2 yoy sales variances		Price	Volume	Currency	Portf.	Total
	Perf. Polymers	-17%	9%	12%	0%	3%
	Adv. Intermediates	-9%	7%	6%	0%	3%
	Perf. Chemicals	0%	-3%	10%	0%	7%
LANXESS		-11%	5%	10%	0%	4%

- Sales up with higher volumes, while favorable currency effects mitigate lower prices
- Strong volume increase in Performance Polymers and Advanced Intermediates

Q2 yoy EBITDA pre bridge [€ m]



- Volume increase clearly contributes to higher EBITDA
- Overall good management of input costs and selling prices
- “Other” includes savings and positive FX effects, mitigated by idle costs and hedging

H1 2015: Solid operational performance

H1 yoy sales variances		Price	Volume	Currency	Portf.	Total
	Perf. Polymers	-15%	4%	11%	0%	-1%
	Adv. Intermediates	-8%	5%	5%	0%	2%
	Perf. Chemicals	0%	-2%	10%	0%	7%
LANXESS		-10%	2%	9%	0%	2%

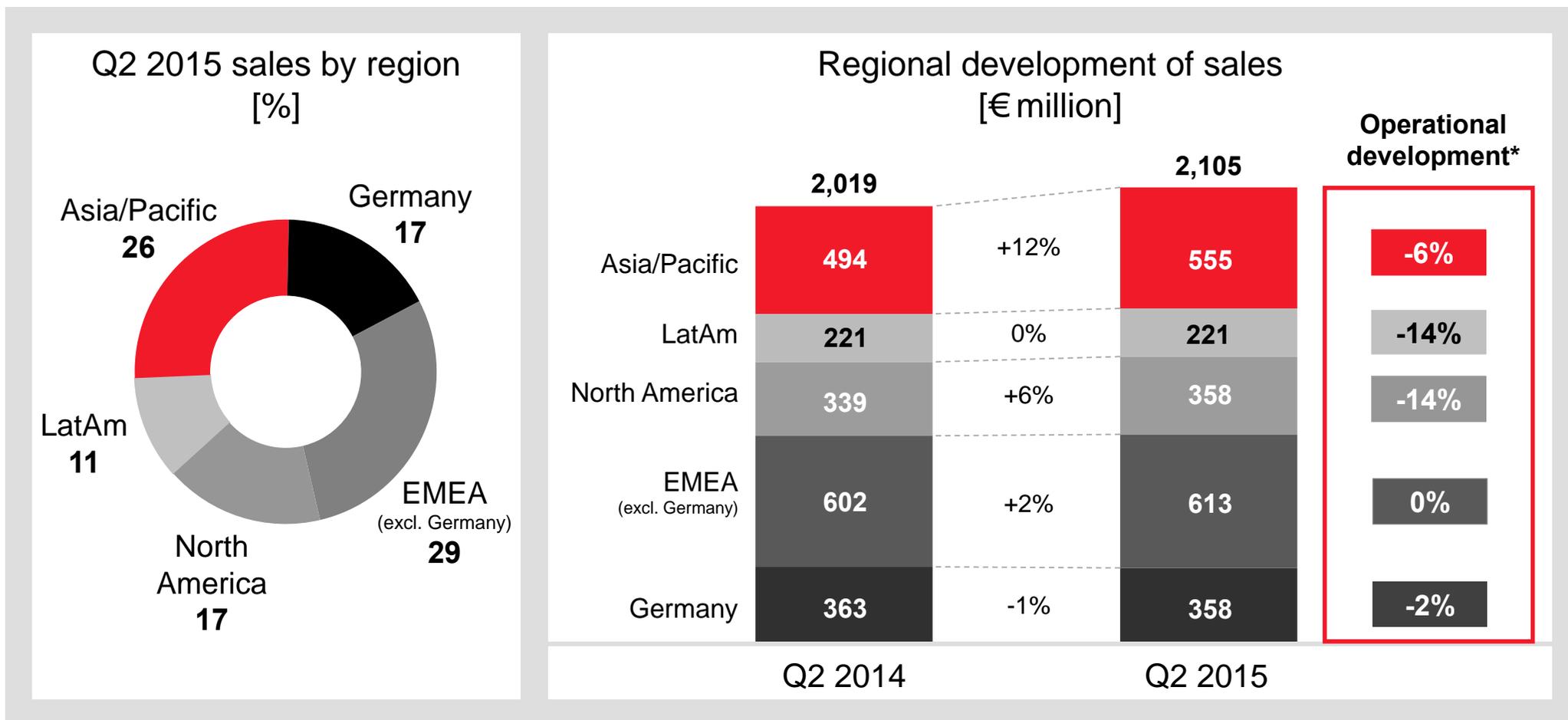
- Higher sales due to positive volumes (driven by Performance Polymers and Advanced Intermediates)
- Lower selling prices due to lower raw material prices, nearly offset by positive currency effects

H1 yoy EBITDA pre bridge [€ m]



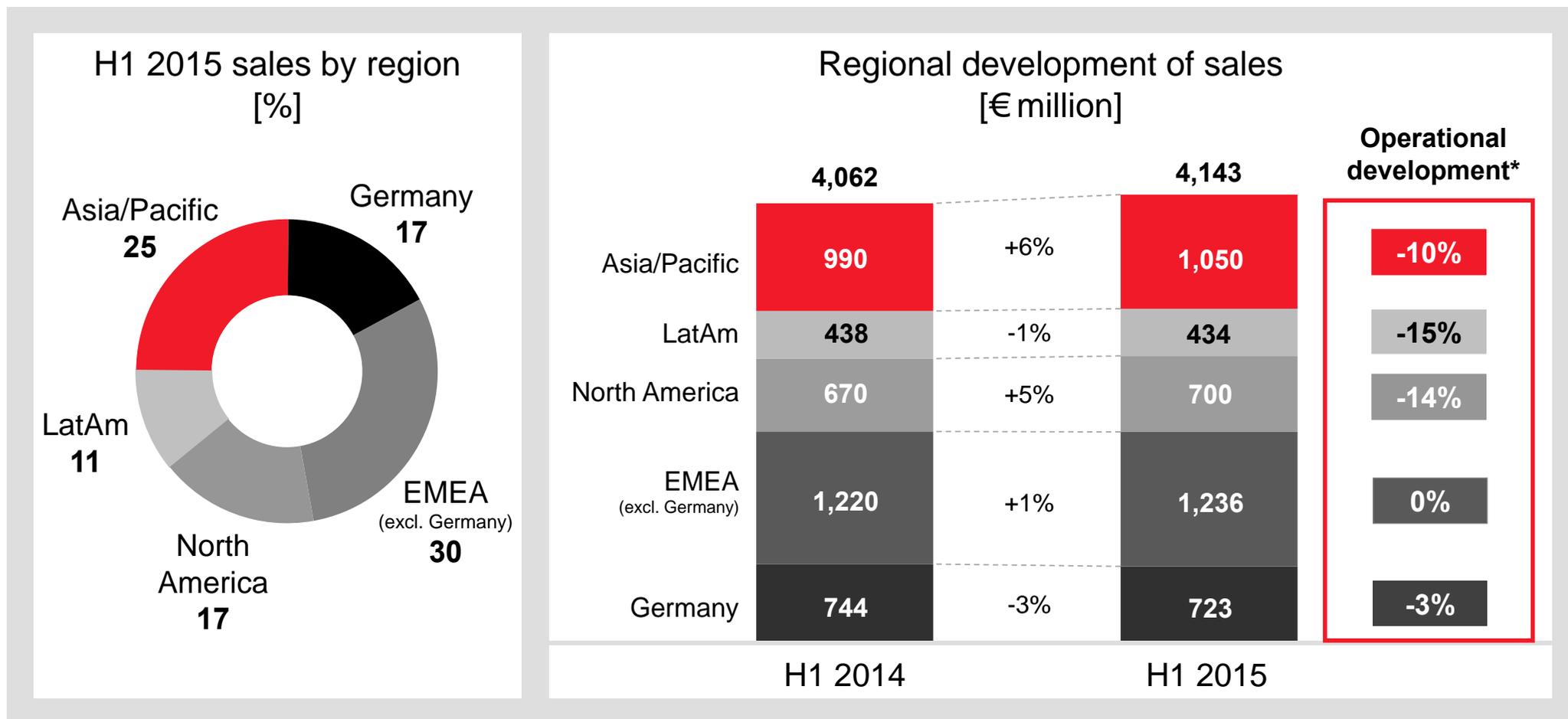
- EBITDA increase driven by higher volumes and successful management of selling prices and input costs
- “Other” includes savings and positive currency effects, however offset by ramp-up and idle costs

Q2 2015: Increased sales in almost all regions driven by currency effects and higher volumes



* Currency and portfolio adjusted

H1 2015: All regions affected by lower selling prices due to lower raw material prices – EMEA with visibly higher volumes



* Currency and portfolio adjusted

H1 2015 financial overview: A strong first half 2015

[€ m]	H1 2014	H1 2015	yoy in %
Sales	4,062	4,143	2.0%
EBITDA pre except. margin	444 10.9%	499 12.0%	12.4%
EPS	0.93	1.19	28.0%
EPS pre ¹	1.32	1.39	5.3%
Capex	262	129	-50.8%
Free Cash Flow²	-75	23	>100%

[€ m]	31.12.2014	30.06.2015	Δ %
Net financial debt	1,336	1,376	3.0%
Net working capital	1,600	1,765	10.3%
ROCE	7.9%	8.4%	
Employees	16,584	16,349	-1.4%

- Higher sales with higher volumes and positive currency effects are off-set by lower prices
- EBITDA improves with higher volumes, successful management of raw material prices as well as savings
- Capex lower after completion of intensive investment cycle
- Net financial debt stable while net working capital higher due to rise in receivables

¹ Net of exceptionals, using the local tax rate applicable where the expenses were incurred

² Operating cash flow minus capex

Q2 2015: EBITDA and profitability improvement

[€ m]	Q2 2014	Q2 2015	yoy in %	
Sales	2,019 (100%)	2,105 (100%)	4%	<ul style="list-style-type: none"> Increased sales as higher volumes and positive currency effects overcompensate lower prices Cost of sales showed a disproportionately smaller increase to sales mainly due to currency effects Overhead costs reflect savings from realignment; but selling was impacted by higher freight and currency effects EBIT with exceptional income (~€40 m) from asset sales²
Cost of sales	-1,579 (78%)	-1,620 (77%)	-3%	
Selling	-188 (9%)	-200 (10%)	-6%	
G&A	-71 (4%)	-68 (3%)	4%	
R&D	-40 (2%)	-34 (2%)	15%	
EBIT	122 (6%)	177 (8%)	45%	
Net Income	55 (3%)	87 (4%)	58%	
EPS	0.63	0.95	51%	
EPS pre ¹	0.79	0.73	-8%	
EBITDA	221 (11%)	296 (14%)	34%	
thereof exceptionals	-18 (1%)	26 (-1%)	<-100%	
EBITDA pre exceptionals	239 (11.8%)	270 (12.8%)	13.0%	

Decent earnings improvement

¹ Net of exceptional items, using the local tax rate applicable where the expenses were incurred

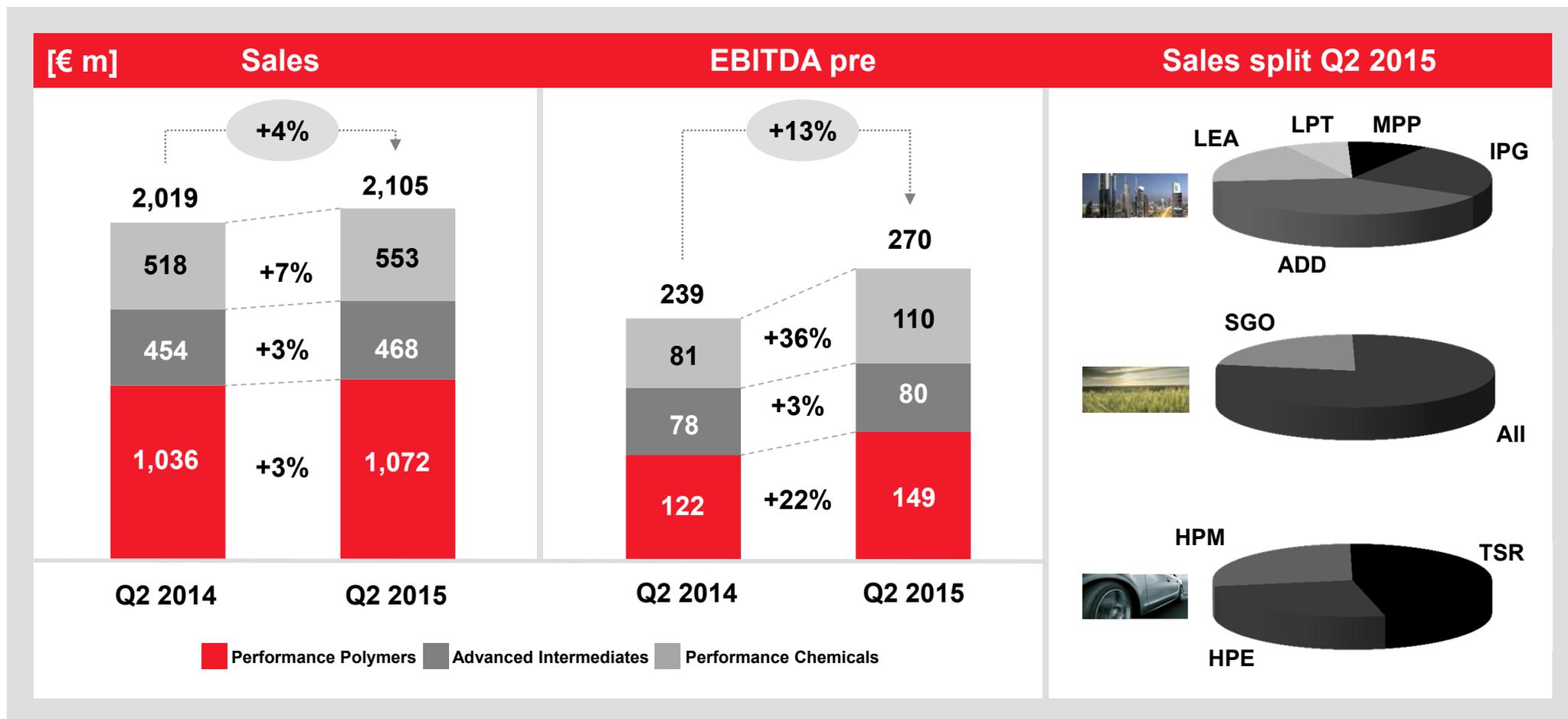
² Relates to sale of assets (BU TSR) and spare infrastructure (BU HPM)

H1 2015: A profitable good first half in a continuing challenging environment

[€ m]	H1 2014	H1 2015	yoy in %	
Sales	4,062 (100%)	4,143 (100%)	2%	<ul style="list-style-type: none"> Higher sales with higher volumes and positive currency effects being offset by lower prices Savings in all overhead line-items; selling costs impacted by higher freight costs due to higher sales volumes EBIT and net income supported by lower exceptional items EBITDA increases mainly due to higher volumes, savings and successful pass-through of raw material prices
Cost of sales	-3,205 (79%)	-3,215 (78%)	0%	
Selling	-374 (9%)	-383 (9%)	-2%	
G&A	-145 (4%)	-132 (3%)	9%	
R&D	-85 (2%)	-66 (2%)	22%	
EBIT	197 (5%)	240 (6%)	22%	
Net Income	80 (2%)	109 (3%)	36%	
EPS	0.93	1.19	28%	
EPS pre ¹	1.32	1.39	5%	
EBITDA	399 (10%)	474 (11%)	19%	
thereof exceptionals	-45 (1%)	-25 (1%)	-44%	
EBITDA pre exceptionals	444 (10.9%)	499 (12.0%)	12.4%	

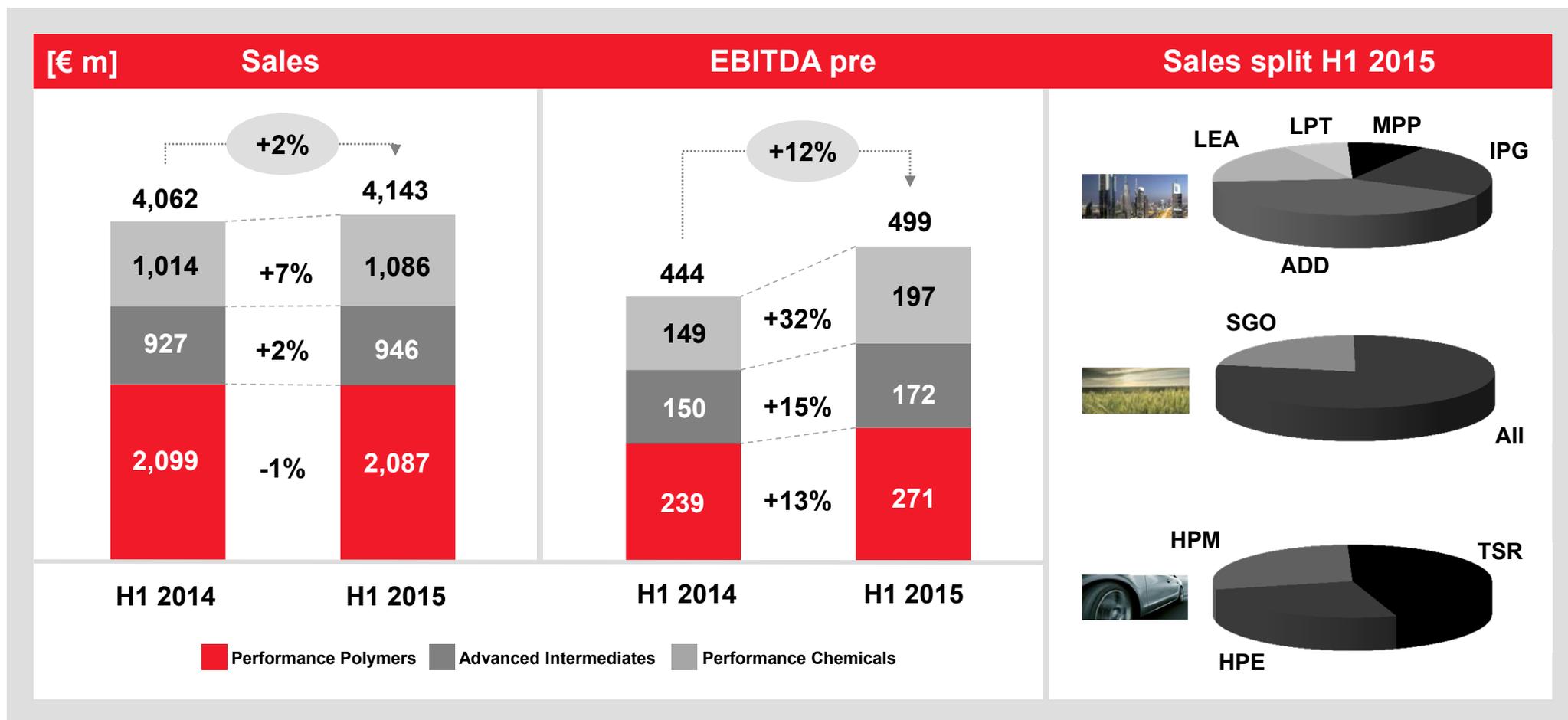
¹ Net of exceptional items, using the local tax rate applicable where the expenses were incurred

Q2 2015: Top and bottom line growth in all segments



Total group sales and EBITDA pre figures include reconciliation
 Restatement of 2014 due to reorganization that shifted accelerators and antioxidants businesses from Performance Chemicals to Advanced Intermediates

H1 2015: Improvement in sales and visible increase in EBITDA



Total group sales and EBITDA pre figures include reconciliation
 Restatement of 2014 due to re-organization of accelerators and antioxidants business from Performance Chemicals to Advanced Intermediates

Performance Polymers: Good volume development, but challenges remain

[€ m]	Q2 2014	Q2 2015	Δ
Sales	1,036	1,072	3.5%
EBIT	68	127*	86.8%
Depr. / Amort.	51	67	31.4%
EBITDA pre exceptionals	122	149	22.1%
Margin	11.8%	13.9%	
Capex	112	30	-73.2%

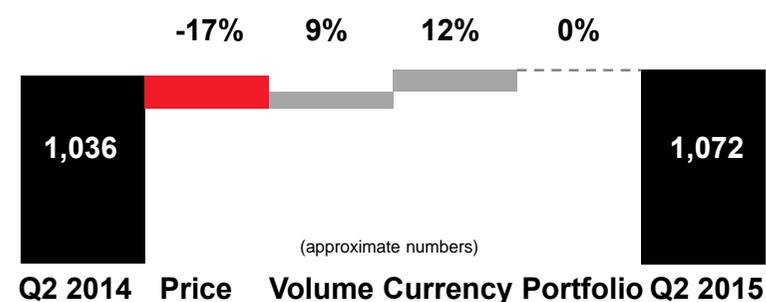
Q2 comments

- Lower prices driven mainly by raw material prices in all BUs
- Higher volumes across all BUs from a low base; BU HPM seeing continued good compound business
- EBITDA increase driven by high volumes and supported by favorable currency effects, but idle costs mitigate
- D&A and capex development reflect completion of new plants in Asia (EPDM and Nd-PBR)

H1 2014	H1 2015	Δ
2,099	2,087	-0.6%
120	145*	20.8%
107	134	25.2%
239	271	13.4%
11.4%	13.0%	
188	54	-71.3%



Q2 sales bridge yoy [€ m]



* Includes sale of assets (BU TSR) and spare infrastructure (BU HPM); ~€40 m

Advanced Intermediates: Good performance at high levels

[€ m]	Q2 2014	Q2 2015	Δ
Sales	454	468	3.1%
EBIT	54	51	-5.6%
Depr. / Amort.	23	27	17.4%
EBITDA pre exceptionals	78	80	2.6%
Margin	17.2%	17.1%	
Capex	20	18	-10.0%

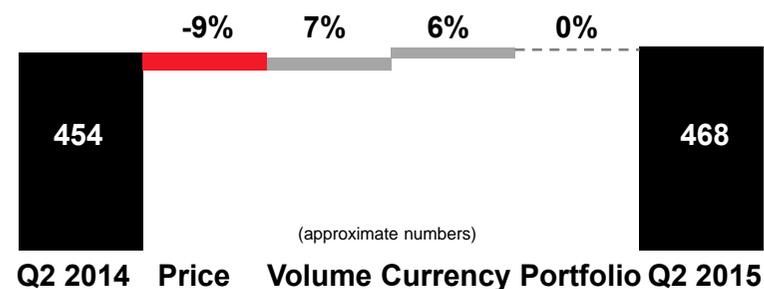
Q2 comments

- Prices in BU All affected by lower raw material prices (e.g., benzene and toluene)
- Higher volumes in BU All in nearly all end markets; BU SGO strong in agro custom manufacturing
- D&A higher with one-time write-offs (non-exceptional)
- EBITDA slightly higher, supported by higher volumes and positive currency effects; unplanned maintenance activity led to higher idle costs
- Favorable Q1 '15 raw material effects reversed in Q2 '15

	H1 2014	H1 2015	Δ
	927	946	2.0%
	99	121	22.2%
	46	50	8.7%
	150	172	14.7%
	16.2%	18.2%	
	40	28	-30.0%



Q2 sales bridge yoy [€ m]



Restatement of 2014 due to reorganization that shifted accelerators and antioxidants businesses from Performance Chemicals to Advanced Intermediates

Performance Chemicals: Structurally improving

[€ m]	Q2 2014	Q2 2015	Δ
Sales	518	553	6.8%
EBIT	57	83	45.6%
Depr. / Amort.	21	21	0.0%
EBITDA pre exceptionals	81	110	35.8%
Margin	15.6%	19.9%	
Capex	18	24	33.3%

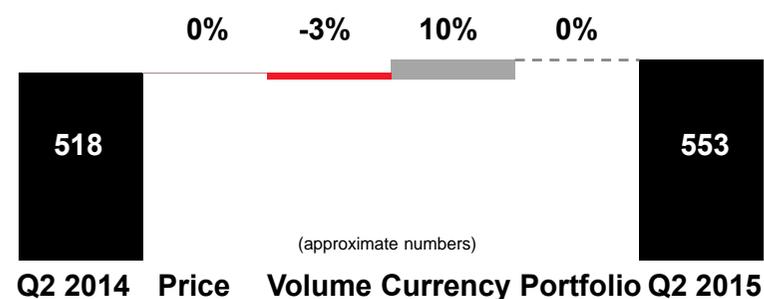
Q2 comments

- Selling prices stable, while raw material prices are below previous year's level
- Lower volumes mainly attributable to BU MPP (biocides in Asia) and BU LEA (chrome chemicals in China)
- The two flagship businesses (BUs IPG and ADD) with strongest performance
- Overall profitability driven by lower raw material prices, favorable currency effects and savings
- Higher capex levels in BU IPG (new pigment plant in China)

H1 2014	H1 2015	Δ
1,014	1,086	7.1%
98	147	50.0%
41	42	2.4%
149	197	32.2%
14.7%	18.1%	
27	41	51.9%



Q2 sales bridge yoy [€ m]



Restatement of 2014 due to reorganization that shifted accelerators and antioxidants businesses from Performance Chemicals to Advanced Intermediates

Q2 2015: Cash flow impacted by restructuring

[€ m]	Q2 2014	Q2 2015	
Profit before tax	94	144	
Depreciation & amortization	99	119	
Gain from sale of assets	0	-42	
Result from investments (using equity method)	-4	0	
Financial (gains) losses	13	17	
Cash tax payments/refunds	9	-18	
Changes in other assets and liabilities	9	-98	
Operating cash flow before changes in WC	220	122	
Changes in working capital	-42	-3	
Operating cash flow	178	119	
Investing cash flow	-293	-151	
thereof capex	-154	-73	
Financing cash flow	11	-105	

- D&A higher with increased asset base (new plants in Asia)
- Gain from sale of assets relates to exceptional income being re-classified to investing cash flow
- Changes in other assets and liabilities include e.g.* cash-outs for realignment (use of accrual)
- Capex significantly lower after completing growth projects for synthetic rubber in Asia
- Financing cash flow in Q2'14 includes funds from capital increase

Free cash flow becoming stronger

* Amongst others cash-out for realignment, variable compensation and effects from hedging of intercompany financing

H1 2015: Cash flow impacted by restructuring

[€ m]	H1 2014	H1 2015	
Profit before tax	132	178	
Depreciation & amortization	202	234	
Gain from sale of assets	0	-42	
Result from investments (using equity method)	-5	0	
Financial (gains) losses	38	32	
Cash tax payments/refunds	19	-23	
Changes in other assets and liabilities	51	-104	
Operating cash flow before changes in WC	437	275	
Changes in working capital	-250	-123	
Operating cash flow	187	152	
Investing cash flow	-415	-212	
thereof capex	-262	-129	
Financing cash flow	100	-157	

- D&A increase reflects higher asset base (new plants in Asia)
- Changes in other assets and liabilities include e.g.*, cash-outs for realignment (use of accrual)
- Lower capex level contributes visibly to free cash flow
- Lower build-up in working capital with inventory volumes nearly stable
- Financing cash flow in H1'14 comprises bond repayment and funds from capital increase

* Amongst others cash-out for realignment, variable compensation and effects from hedging of intercompany financing

Balance sheet remains solid and stable

[€ m]	Dec 2014	Jun 2015
Total assets	7,250	7,422
Equity	2,161	2,288
Equity ratio	30%	31%
Net financial debt	1,336	1,376
Near cash, cash & cash equivalents	518	432
Pension provisions	1,290	1,292
ROCE¹	7.9%	8.4%
Net working capital	1,600	1,765
Net working capital/sales ¹	20%	22%
DIO (in days) ²	79	78
DSO (in days) ³	48	51

- Equity and respective ratio increase with improved net income and relief from pension provisions
- Pension provisions at year-end-level but lower than in Q1 2015 due to an increase in discount rates (mainly Germany)
- Rise in net working capital driven by higher receivables (higher sales in Jun vs. Dec) and currency effects

¹ Based on last twelve months for EBIT pre or sales

² Days of inventory outstanding calculated from quarterly COGS

³ Days of sales outstanding calculated from quarterly sales

Balance sheet remains solid

[€ m]	Dec'14	Mar'15	Jun'15		Dec'14	Mar'15	Jun'15
Non-current assets	4,101	4,348	4,109	Stockholders' equity	2,161	2,065	2,288
Intangible assets	320	322	313	Non-current liabilities	3,447	3,777	3,503
Property, plant & equipment	3,333	3,468	3,359	Pension & post empl. provis.	1,290	1,535	1,292
Equity investments	0	0	0	Other provisions	275	295	297
Other investments	13	13	13	Other financial liabilities	1,698	1,731	1,719
Other financial assets	11	7	6	Tax liabilities	25	27	26
Deferred taxes	380	501	381	Other liabilities	138	165	131
Other non-current assets	44	37	37	Deferred taxes	21	24	38
Current assets	3,149	3,330	3,313	Current liabilities	1,642	1,836	1,631
Inventories	1,384	1,414	1,411	Other provisions	350	424	382
Trade accounts receivable	1,015	1,213	1,183	Other financial liabilities	182	154	111
Other financial & current assets	232	252	287	Trade accounts payable	799	833	829
Near cash assets	100	107	228	Tax liabilities	44	51	53
Cash and cash equivalents	418	344	204	Other liabilities	267	374	256
Total assets	7,250	7,678	7,422	Total equity & liabilities	7,250	7,678	7,422

- Stockholders' equity increases with positive net income and relief from pension provisions (discount rate driven) in Q2 2015
- Development of pension provisions mainly reflects volatility in discount rate in Germany; now again at level of year-end 2014 (2.75%)

Agenda

- Strategy summary
- Executive summary and outlook Q2 2015
- Financial details Q2/H1 2015
- **Backup**



Appendix

Housekeeping items

Additional financial expectations

- Capex 2015: max. €450 m
- Capex 2016: €400-450 m
- D&A 2015: ~€420-440 m
- Exceptional items 2015: ~€95 m from “Let’s LANXESS again” (Phase I and first measures from Phase II)
- Reconciliation 2015: underlying expenses of ~€160 m EBITDA, but additional hedging expenses of ~€125 m in 2015*
- Annual tax rate:
 - >30% in 2015
 - mid-term, after realignment: ~22-25%
- Currency impact: 1 Cent change of USD/EUR yoy equals ~€9 m EBITDA impact (before hedging)
- Hedging expenses 2015 ~€125 m*



* Based on an exchange rate of 1.10 USD/EUR

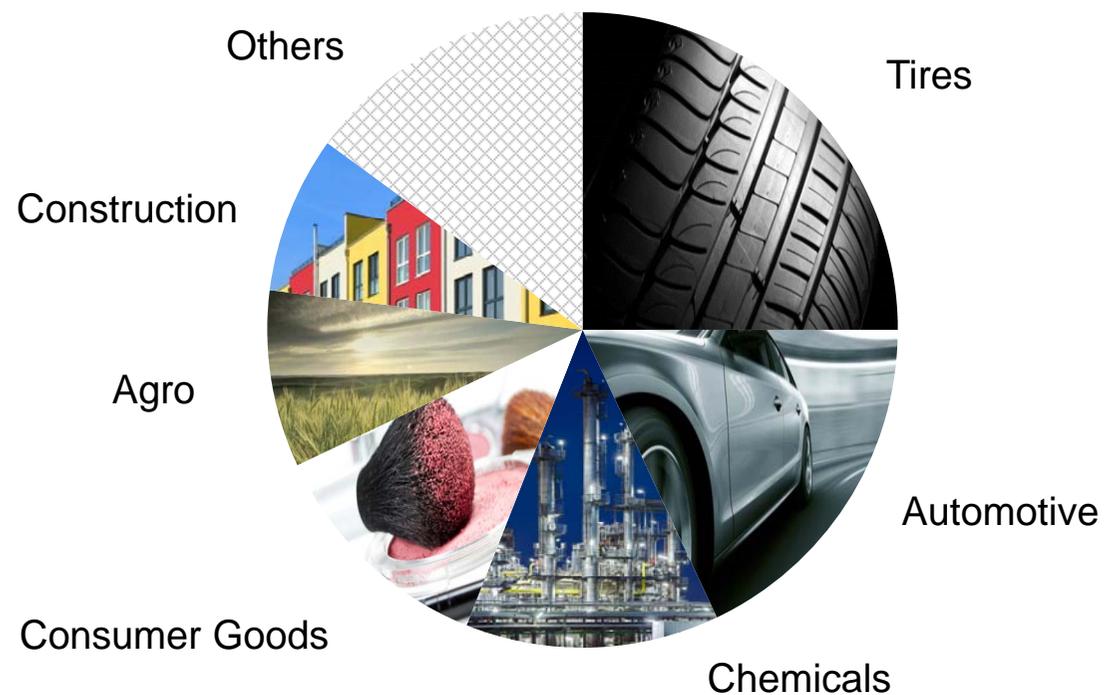
Mechanism of currency and hedging effects

Impact of a strong US dollar in 2015 vs. 2014

P&L line item	Effect yoy	Remarks	Booked in:
Sales	 Strong USD favorable	} <u>Rule of thumb:</u> (currency sensitivity of ~€9 m EBITDA impact / 1 cent change in USD/EUR)	Business segments
COGS	 Strong USD unfavorable		Business segments
Other operating income/expenses	 Hedging for realized planned exposure at historical, unfavorable rates (3-year rolling hedging approach)		Reconciliation
Financial result	 Net of booked receivables and payables and respective hedging	no material net impact	

LANXESS has a broad customer portfolio

LANXESS sales distribution by industry, 2014



“Let’s LANXESS again” progresses faster than anticipated

Faster headcount reduction, with some P&L expenses brought forward

<u>updated</u>	2014	2015	2016	Total
Headcount reduction	~ <u>425</u>	~ <u>475</u>	~100	~1,000
[€ m] Cash out	~20	~110	~20	~150
[€ m] P&L expense (OTC)	~ <u>110</u>	~ <u>40</u>	~ <u>0</u>	~150
[€ m] Cost reduction	~20	~100	~30	~150

Phase I

Reconfiguration of Nd-PBR production and intended stop of EPDM production in Marl

Reconfiguration of Nd-PBR production and intended stop of EPDM production in Marl will achieve ~€20 m savings p.a. by end of 2016

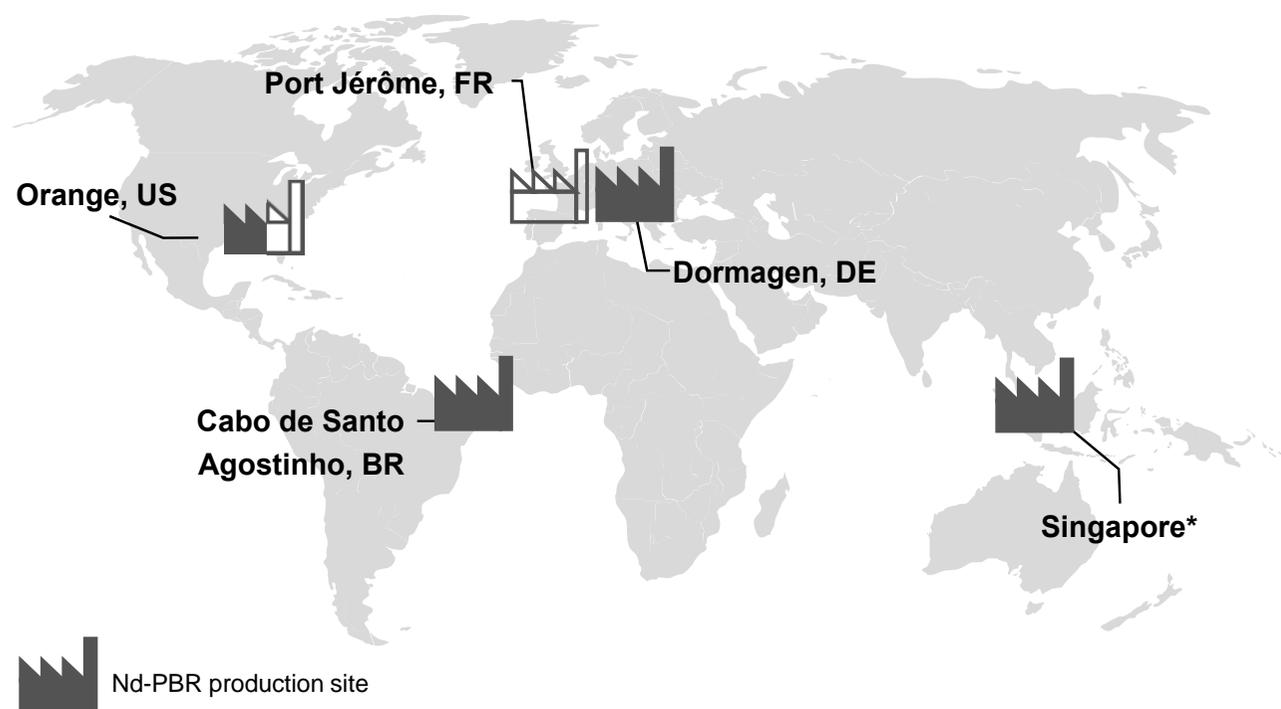
	Total
Headcount reduction	~140
[€ m] Cash out	~45
[€ m] P&L expense (OTC*)	~55
[€ m] Fix cost reduction	~20
[€ m] Capex reduction	~10



* One-time-costs including severance payments and write offs; thereof OTC cash out of ~€45 m

Nd-PBR production network to be optimized to improve plant utilization, productivity and supply-demand balance

Nd-PBR production landscape



Adjusting production network in the course of 2016

- Global Nd-PBR production with new focus in Singapore and Dormagen
- Nd-PBR production at Orange and Cabo now focused on regional customers
- Capacities made available in Orange & Port Jérôme will focus on SSBR, Co- and Li-PBR
- Orange will operate only 3 out of 4 PBR lines simultaneously, thus capacity to use reduced across butadiene rubbers as part of flexible asset management

* Nd-PBR plant in Singapore with 140kt nameplate capacity, ramp up started in Q1 2015

EPDM production network to be consolidated to improve supply-demand balance in an oversupplied market

LANXESS intends to stop Marl production by end of 2015



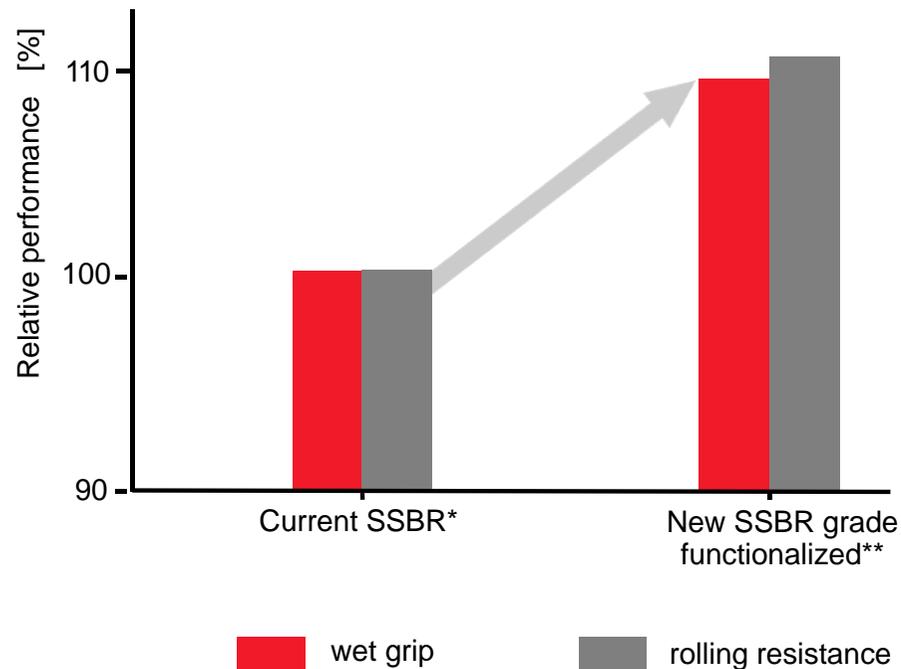
EPDM sites, size illustrative

- Marl capacity of ~70 kt represents ~30% of LANXESS' European EPDM capacity
- Intended stop of production in Marl reduces global nameplate capacity addition of LANXESS in 2016 by ~45%
- Intention to shift production volumes to world scale plants in Changzhou (CN) and Geleen (NL), therefore limited loss of sales and contribution margin
- LANXESS retains competitive global asset base

* Nameplate capacities; EPDM Changzhou ramp up started in Q1 2015

LANXESS committed to further innovating synthetic rubbers – Introducing 2 new functionalized SSBR grades

Functionalized SSBR increases performance by ~10%

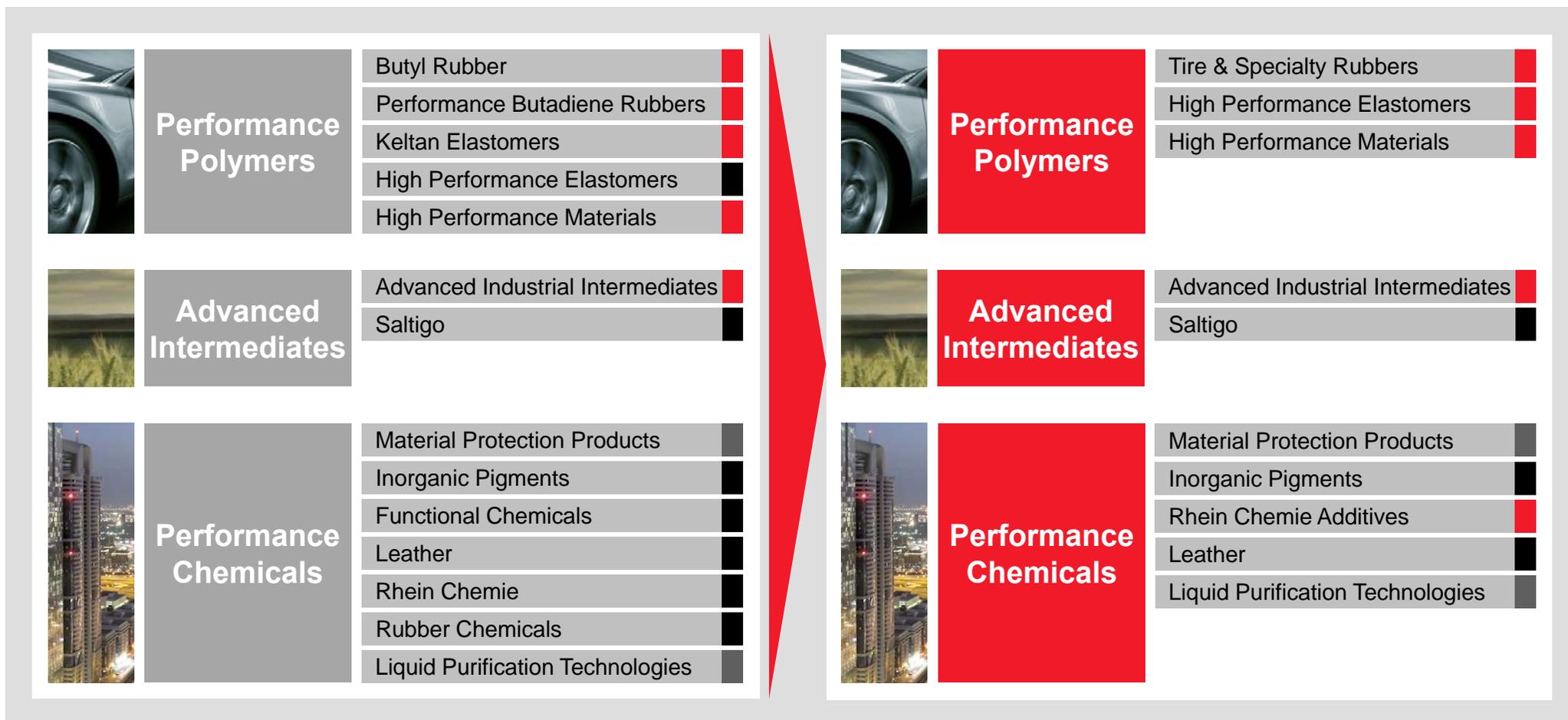


- Introduction of 2 functionalized SSBR FX grades further strengthens LANXESS product portfolio with industry leading technology
- Functionalized SSBR ideally complements Nd-PBR for high performance tire applications



* LANXESS Buna VSL 2438-2 HM; ** LANXESS Buna FX 3234A-2 HM; Tires made with 70% SSBR, 30% Nd-PBR tread as well as silica filler

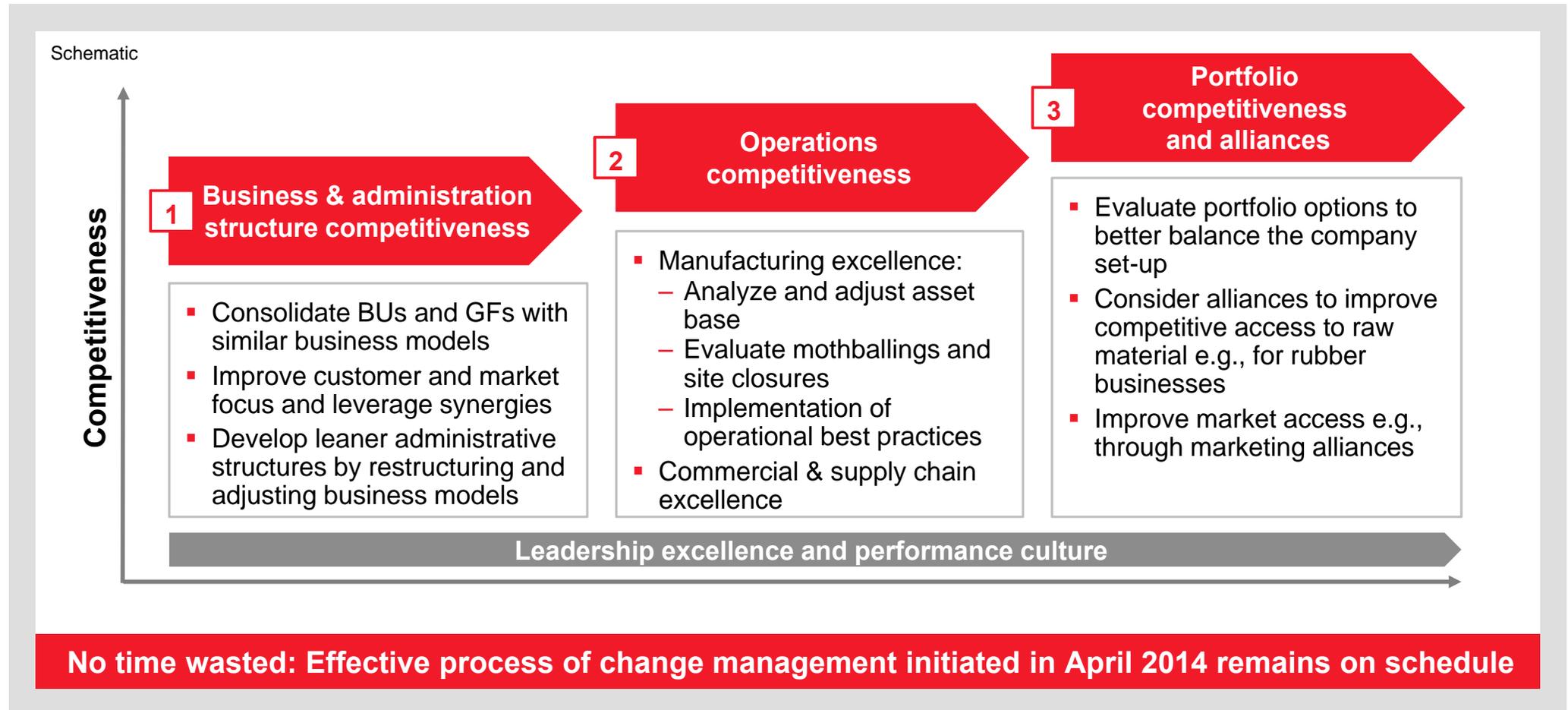
New business arrangements enable more efficient and effective market approach



Reporting structure as of January 1, 2015

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

“Let’s LANXESS again” – a three-phase realignment program has been defined



Shifting gears towards growth beyond 2016 – new capital allocation priorities

Until 2016

1 Debt repayment

2 Restructuring

3 Growth

4 Dividends

Beyond 2016

1 Portfolio management

2 Dividends

3 Organic growth

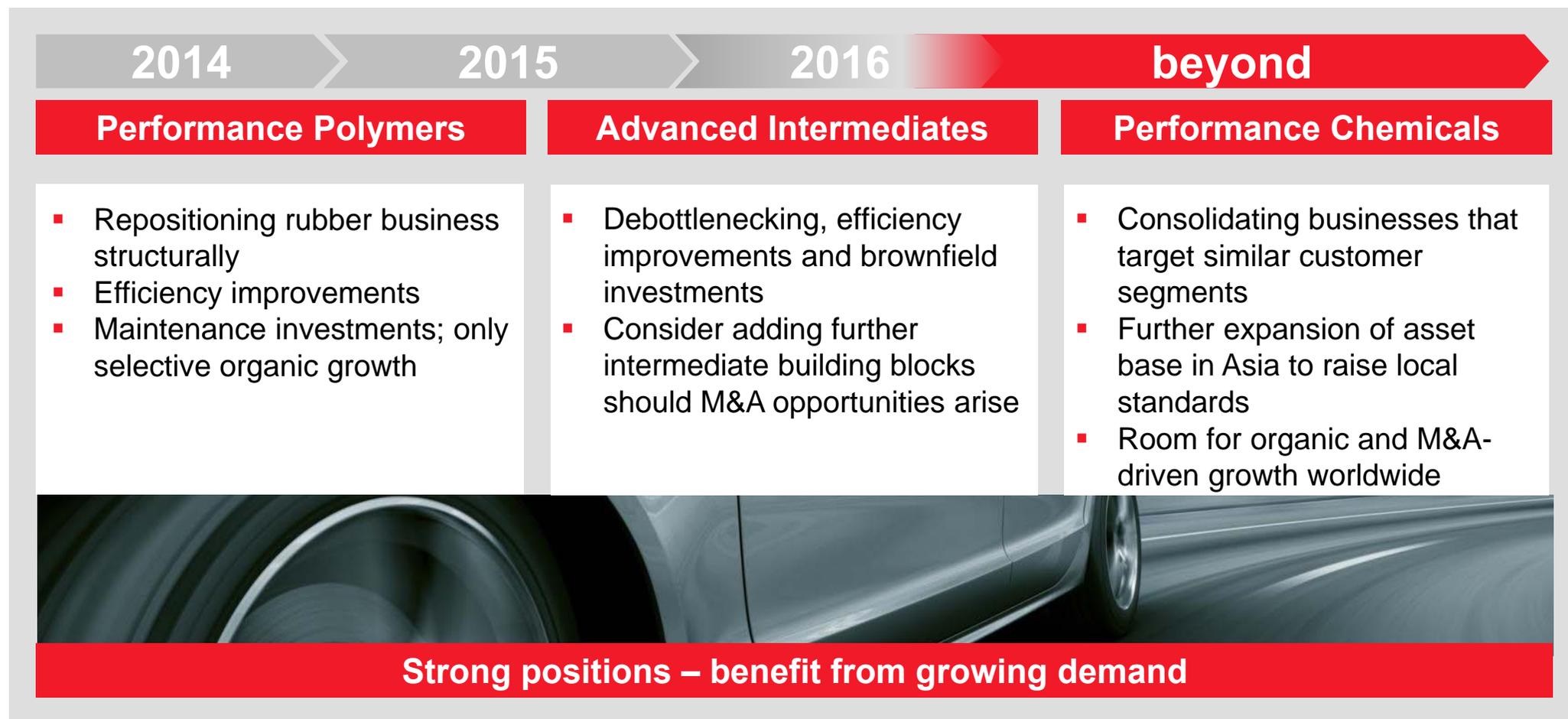
4 Debt repayment

5 Share buybacks

Dividends remain an important element



Selective growth for the future



Major projects completed

**2013
(completed)**

BU TSR Butyl (SGP), Q1 2013, new plant 100kt
 BU HPE Chloroprene rubber (GER), H2 2013, debottlenecking +10%
 BU All Dichlorobenzene (GER), Q1 2013, debottlenecking +15%
 BU All Cresols (GER), end of 2013, debottlenecking +20%
 BU LEA Leather chemicals (CHN), H1 2013, up to 50kt
 BU LEA CO₂ plant (ZA), Q4 2013, new plant

**2014
(completed)**

BU HPM Polyamide (Belgium), Q3 2014, new plant 90kt
 BU HPM Compounding (BRA), Q2 2014, new plant 20kt
 BU LPT Ion exchange resins (GER), mid 2014, debottlenecking +33%

**2015
(completed)**

BU HPE EPDM (CHN), 2015, new plant 160kt
 BU TSR Nd-PBR (SGP), H1 2015, new plant 140kt

2015 +

BU IPG Iron oxide red (CHN), Q1 2016, new plant 25kt
 BU IPG Mixing & milling (CHN), Q1 2016, new plant 70kt
 BU HPM Compounding (US), early 2016, debottlenecking +20kt
 BU TSR SSB (BRA) conversion from ESB (110kt)*



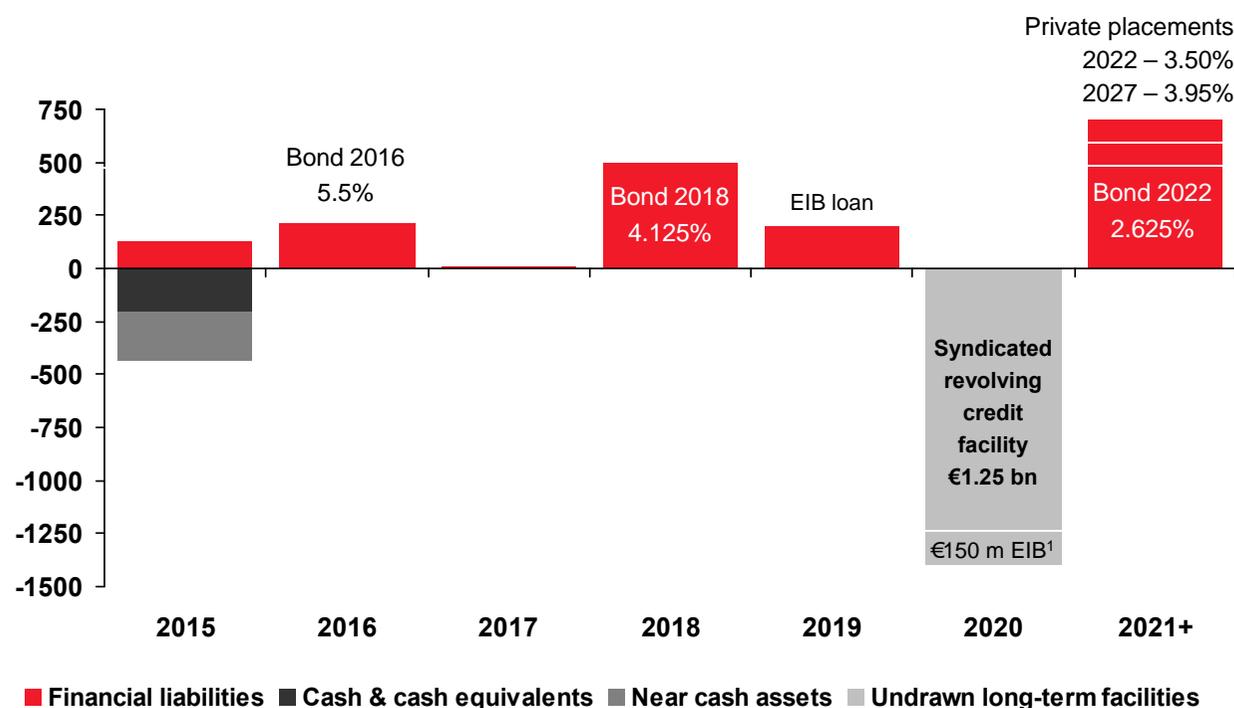
* Expected for the tire label introduction in Brazil (2016); to be further evaluated

A well managed and conservative maturity profile

Long term financing secured

- Diversified financing sources
 - Bonds
 - Private placements
 - Syndicated credit facility
 - Bank facilities
- Average interest rate of financial liabilities: <3.5%
- All group financing executed without financial covenants

Liquidity and maturity profile as per June 2015

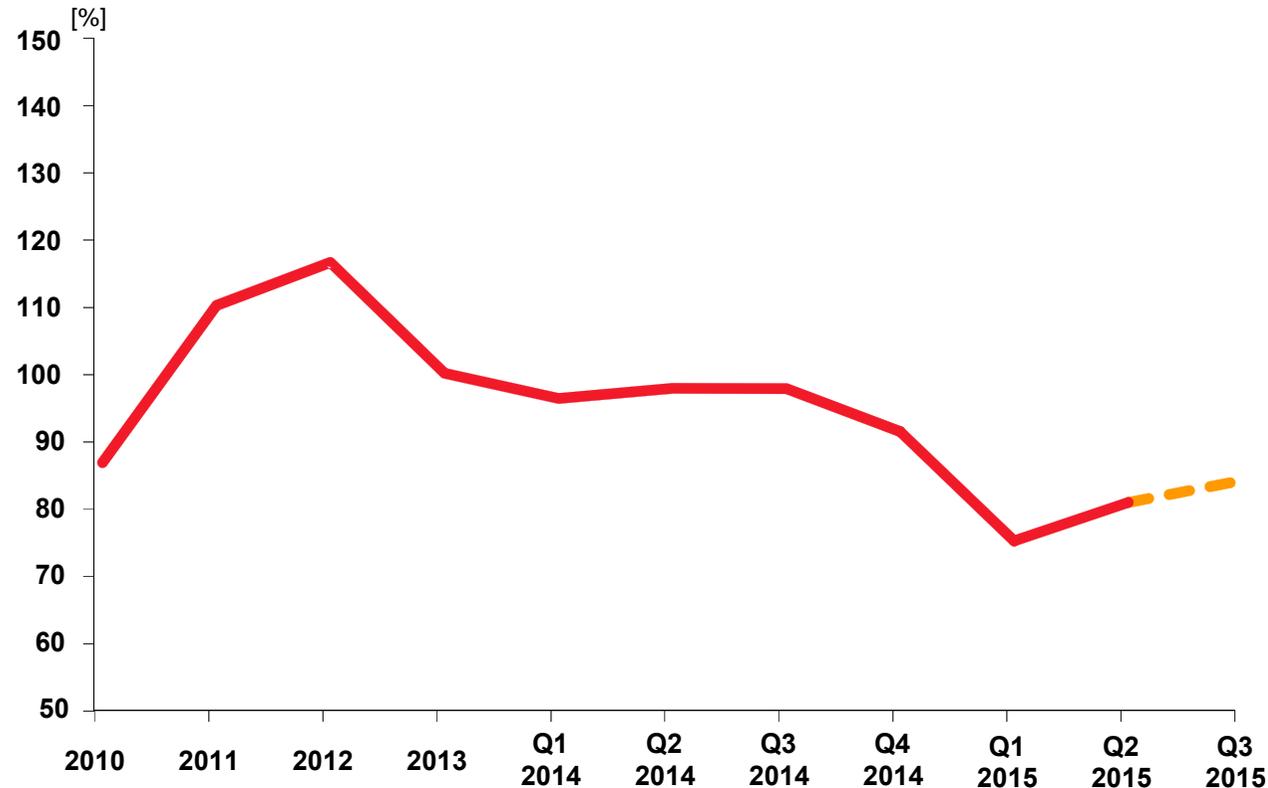


EIB = European Investment Bank

¹ Final maturity of EIB facility in case of utilization earliest in 2020; EIB facility currently undrawn

High volatility in raw material prices

Global raw materials index*



- In 2012, raw material prices (mainly butadiene) began to decline
- Raw material prices remained more or less stable in 2014 until Q3
- Sharp decline in raw material prices in Q4 2014/ Q1 2015 driven by a steep decline in the price of oil

* Source: LANXESS, average 2013 = 100%

Overview exceptional items Q2 and YTD

[€ m]	Q2 2014		Q2 2015		H1 2014		H1 2015	
	Excep.	Thereof D&A	Excep.	Thereof D&A	Excep.	Thereof D&A	Excep.	Thereof D&A
Performance Polymers	4	1	-43	2	13	1	3	11
Advanced Intermediates	1	0	2	0	5	0	1	0
Performance Chemicals	3	0	6	0	10	0	8	0
Reconciliation	11	0	11	0	18	0	24	0
Total	19	1	-24	2	46	1	36	11

Abbreviations

Performance Polymers

- TSR Tire & Specialty Rubbers
- HPE High Performance Elastomers
- HPM High Performance Materials

Performance Chemicals

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

Advanced Intermediates

- All Advanced Industrial Intermediates
- SGO Saltigo

Upcoming events 2015

Active capital market communication

<ul style="list-style-type: none">▪ Q2 results 2015	August 6	
▪ Jefferies Global Industrials Conference	August 11/12	New York
▪ Berenberg & Goldman Sachs German Corporate Conference	September 21-23	Munich
▪ Baader Investment Conference	September 24	Munich
▪ Berenberg Specialty Chemicals & Food Ingredients Conference 2015	September 30	London
<ul style="list-style-type: none">▪ Q3 results 2015	November 5	
<ul style="list-style-type: none">▪ Capital Markets Day	November 5/6	Cologne
▪ Morgan Stanley Global Chemicals Conference	November 10	Boston
▪ Bank of America Merrill Lynch German Corporate Days 2015	November 17	Singapore
▪ Morgan Stanley Asia Pacific Summit	November 18	Singapore
▪ Deutsche Bank dbAccess European Large Caps	November 24	Tokyo
▪ Bank of America Merrill Lynch	December 1	London

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