Q4 / FY 2015 Roadshow

A successful year in many respects

Michael Pontzen, CFO

LANXESS
Energizing Chemistry

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Agenda

- **Strategy summary**
- Executive summary Q4 2015 and outlook 2016
- Financial details Q4/FY 2015
- Backup

The "New LANXESS"

Clear strategic focus	Growing our businesses in mid-sized markets with focus on resilience and cash generation Focus on businesses that are less dependent on raw materials
Strong foundation	Leading market positions High technical standards and unique expertise A dynamic team with a performance culture driving entrepreneurship
Delivering quality	A high level of quality: products, processes, businesses and employees

Targeting reduced volatility of 2-3% pts of EBITDA margin (peak to trough)

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2015: LANXESS now on solid foundation

- New business structure successfully implemented
- New management board in place

- Phase 1: Administrative restructuring implemented one year ahead of plan

- Phase 2: Operations optimization in progress

- Phase 3: Strategic alliance for synthetic rubber with Saudi Aramco to start on April 1st, 2016

Transformation program implemented ahead of schedule

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Joint venture established on fast track: Starting April 1st 2016

ARLANXEO
Performance Elastomers

- August 2015: Start of carve-out process
- September 22nd, 2015: JV agreement signed by Saudi Aramco and LANXESS
- February 2016: Global communication of JV name
  Completion of anti-trust approval process
- April 1st, 2016: Go live of ARLANXEO

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- Receipt of ~€1.2 bn
- Change from 3 to 4 reporting segments*

* Four reporting segments as of Q2 2016 onwards: Advanced Intermediates, Performance Chemicals, High Performance Materials and ARLANXEO

2016 and beyond: Growth backed by solid financials

Planned use of ~€1.2 bn cash proceeds (at closing of JV)

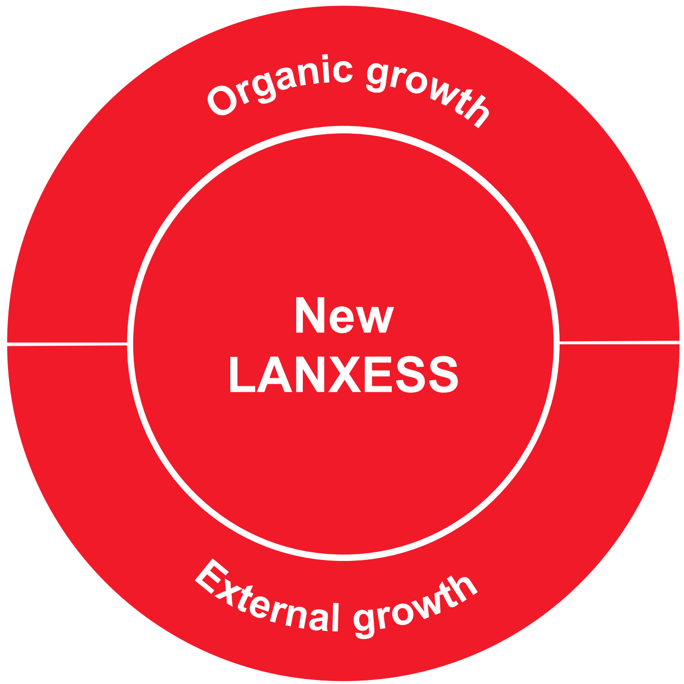
~€400 m organic growth

~€200 m share buy back

~€400 m debt reduction

Expanding a strong foundation, maintaining commitment to investment-grade rating

Illustrative



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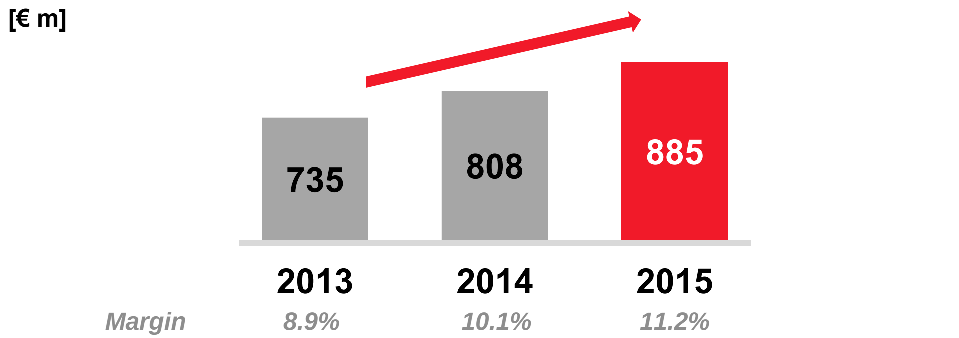
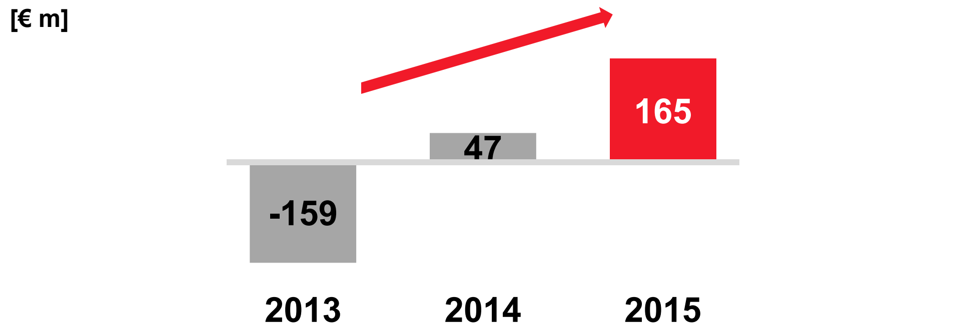
Financial highlights: Major improvement in profitability and greater financial strength

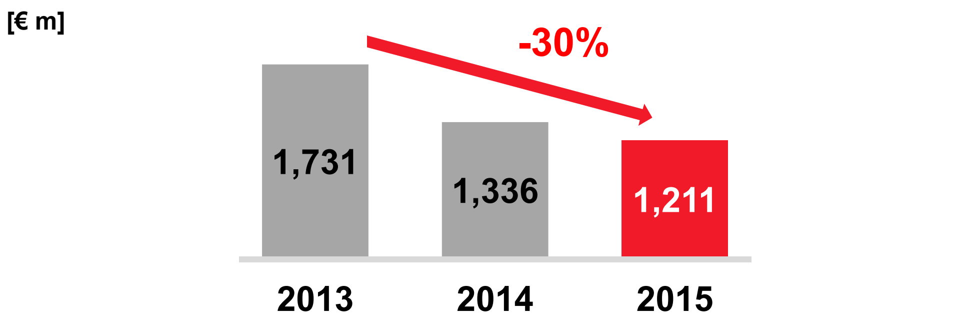
EBITDA pre



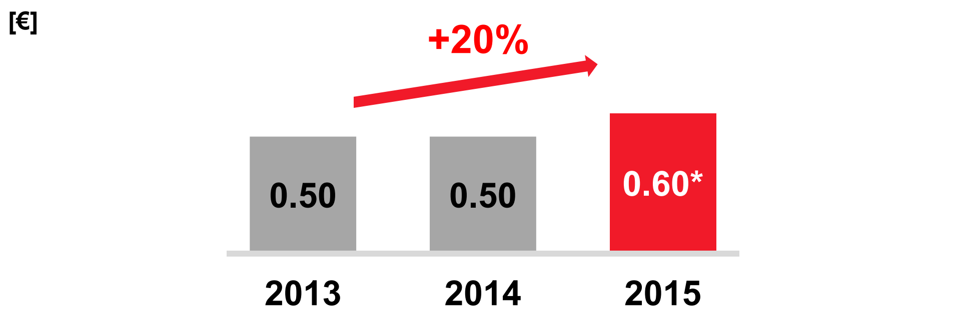
Net income



Net financial debt



Dividend



* To be proposed at the Annual General Meeting on May 20, 2016.

Business performance 2015 under future reporting structure

	New LANXESS			ARLANXEO	Group
	 Advanced Intermediates	 Performance Chemicals	 High Performance Materials		LANXESS
EBITDA pre* ***margin***	**€339 m** ***19%***	**€326 m** ***16%***	**€115 m** ***10%***	**€388 m** ***14%***	**€885 m** ***11%***
ROCE	**~15%**			**~5%**	**8.4%**

A solid EBITDA contribution from all segments

EBITDA pre and margin for HPM and ARLANXEO are unaudited figures; ROCE split is an approximation
* For segments: Operational EBITDA pre without allocation of hedging expenses

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Q4 2015: Nearly stable earnings despite selling price decline

Sales development Q4 2015

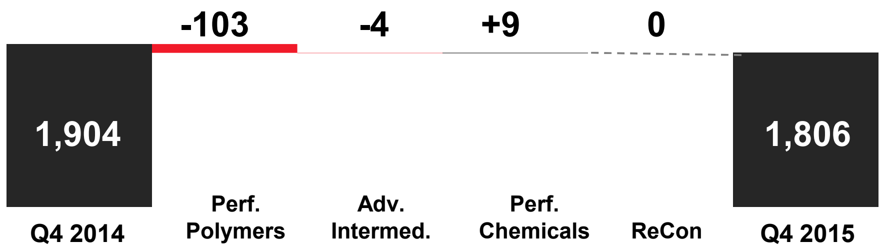
Sales variances yoy **€1,806 m (€1,904 m)**

-10%	0%	5%	0%	-5%
Price	Volume	FX	Portfolio	**Total**

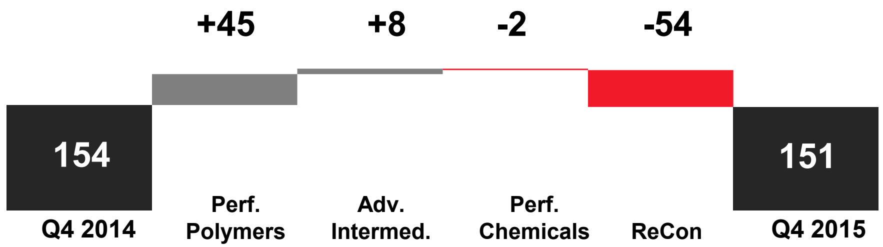
- Lower prices driven by lower raw material costs in both Performance Polymers and Advanced Intermediates
- Stable volumes in total, however with variations across the segments
- All businesses supported by a strong USD

Business development Q4 2015

Sales [€ m]



EBITDA pre [€ m]



Q4 2015 financial overview: Strong cash conversion in a generally weak fourth quarter

[€ m]	Q4 2014	Q4 2015	yoy in %
Sales	**1,904**	**1,806**	**-5.1%**
EBITDA pre except.	**154**	**151**	**-1.9%**
margin	8.1%	8.4%	
EPS	**-0.74**	**0.16**	**>100%**
EPS pre[1]	0.09	-0.16	<100%
Capex	**240**	**205**	**-14.6%**
Free Cash Flow[2]	**169**	**145**	**-14.2%**
[€ m]	**31.12.2014**	**31.12.2015**	**Δ %**
Net financial debt	**1,336**	**1,211**	**-9.4%**
Net working capital	**1,600**	**1,526**	**-4.6%**
ROCE	**7.9%**	**8.4%**	
Employees	**16,584**	**16,225**	**-2.2%**

- Lower sales with lower selling prices (driven by raw materials) mitigated by positive FX effect
- EBITDA decreases marginally, with slightly improved profitability
- Net financial debt clearly reduced, with contributions from positive free cash flow
- Number of employees down mainly due to realignment program

[1] Net of exceptionals, using the local tax rate applicable where the expenses were incurred
[2] Operating cash flow minus capex

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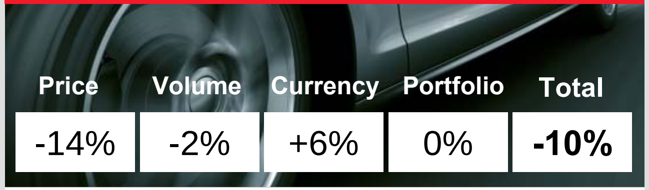
Q4 2015: A mixed picture reflecting typical seasonal pattern

Performance Polymers

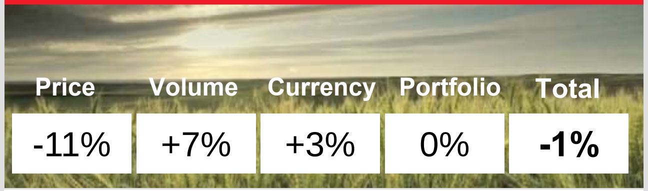


Price	Volume	Currency	Portfolio	Total
-14%	-2%	+6%	0%	**-10%**

- Lower selling prices based on decline in raw material prices and competitive pressure in synthetic rubber
- Lower volumes in synthetic rubber on weaker business in emerging markets; BU HPM with good volume contribution
- Significant savings and absence of one-time costs (~€25 m) outweigh idle costs from new assets

[€ m]	Q4'14	Q4'15
Sales	984	881
EBITDA pre	60	105
Margin	6%	12%

Advanced Intermediates

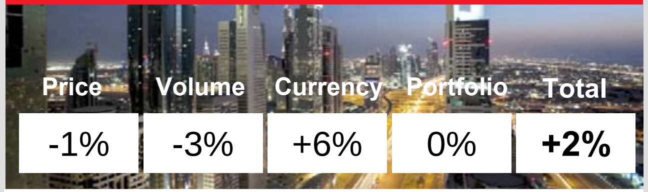


Price	Volume	Currency	Portfolio	Total
-11%	+7%	+3%	0%	**-1%**

- Lower selling prices reflect raw material pass-through
- Both BUs show higher volumes
- Strong USD has positive effect on top and bottom line
- EBITDA supported by good utilization

[€ m]	Q4'14	Q4'15
Sales	444	440
EBITDA pre	83	91
Margin	19%	21%

Performance Chemicals



Price	Volume	Currency	Portfolio	Total
-1%	-3%	+6%	0%	**+2%**

- Selling prices almost unchanged
- Lower volumes in most BUs, mainly due to weaker emerging markets
- Positive FX effects in all BUs and savings from realignment program support, while lower chrome ore prices weigh on EBITDA (BU LEA)

[€ m]	Q4'14	Q4'15
Sales	466	475
EBITDA pre	45	43
Margin	10%	9%

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

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2016: EBITDA pre seen at €880-930 m based on year-to-date performance – H2 expected to be softer

Advanced Intermediates

- Due to strong end market diversification the business segment is expected to perform somewhat above prior year level
- Volumes in agro chemicals expected to be at previous year's level, despite softening agro end industry

Performance Chemicals

- Broad and strong market positions enable the segment to at least balance macro economic challenges
- The two flagship businesses (BUs IPG and ADD) should benefit from new capacity and newly established business platform
- Niche businesses MPP and LPT with positive volume momentum

BU HPM

- Engineering plastics should show positive development in 2016, driven by various applications (e.g., automotive, E&E)

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- Macroeconomic weakness in emerging markets expected
- New rubber capacities might lead to further margin pressure

FY 2016 EBITDA pre now specified at €880-930 m
Q1 2016 expected at €240-260 m

At USD/EUR of 1.10, reconciliation is expected to show ~€50 m less in hedging expenses in 2016 vs. 2015.

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Q4 2015: A quarter affected by raw material-driven price reductions and pricing pressure in synthetic rubber

Q4 yoy sales variances	Price	Volume	Currency	Portf.	Total
 Perf. Polymers	-14%	-2%	6%	0%	-10%
 Adv. Intermediates	-11%	7%	3%	0%	-1%
 Perf. Chemicals	-1%	-3%	6%	0%	2%
LANXESS	-10%	0%	5%	0%	-5%

- Lower prices in Performance Polymers and Advanced Intermediates mainly due to lower raw material prices (oil derivatives)
- Strong volumes in Advanced Intermediates across businesses
- FX support for all segments

Q4 yoy EBITDA pre bridge [€ m]

- Lower selling prices reflect raw material price decline and market price pressure in synthetic rubbers
- “Other” includes savings, positive FX effects and the absence of one-time items*, partly offset by idle costs

* Q4 2014 was dampened by one-time items that included ramp-up costs and inventory devaluation (totaling ~€25 m).

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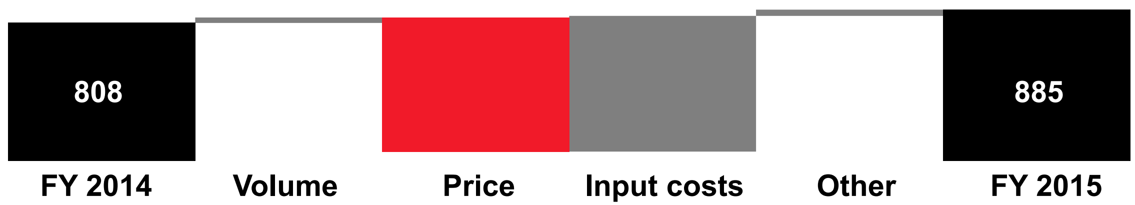
FY 2015: A well-managed year – stable sales with increased earnings

FY yoy sales variances	Price	Volume	Currency	Portf.	Total
 Perf. Polymers	-15%	2%	9%	0%	-4%
 Adv. Intermediates	-9%	3%	5%	0%	-1%
 Perf. Chemicals	0%	-3%	8%	0%	5%
LANXESS	-10%	1%	8%	0%	-1%

- Sales remain stable, with lower prices mainly offset by FX effects
- Lower prices due to significant decline in raw material costs (resulting from declining price of oil)

FY yoy EBITDA pre bridge [€ m]



- Lower selling prices reflect lower input costs – a well-managed balance in a challenging environment
- “Other” includes cost savings and positive FX effect, however mitigated by idle costs

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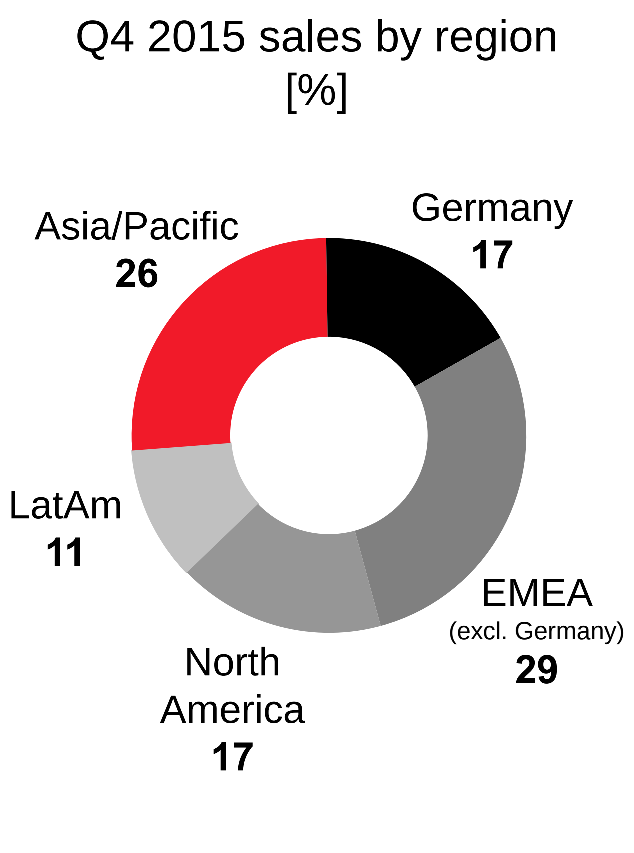
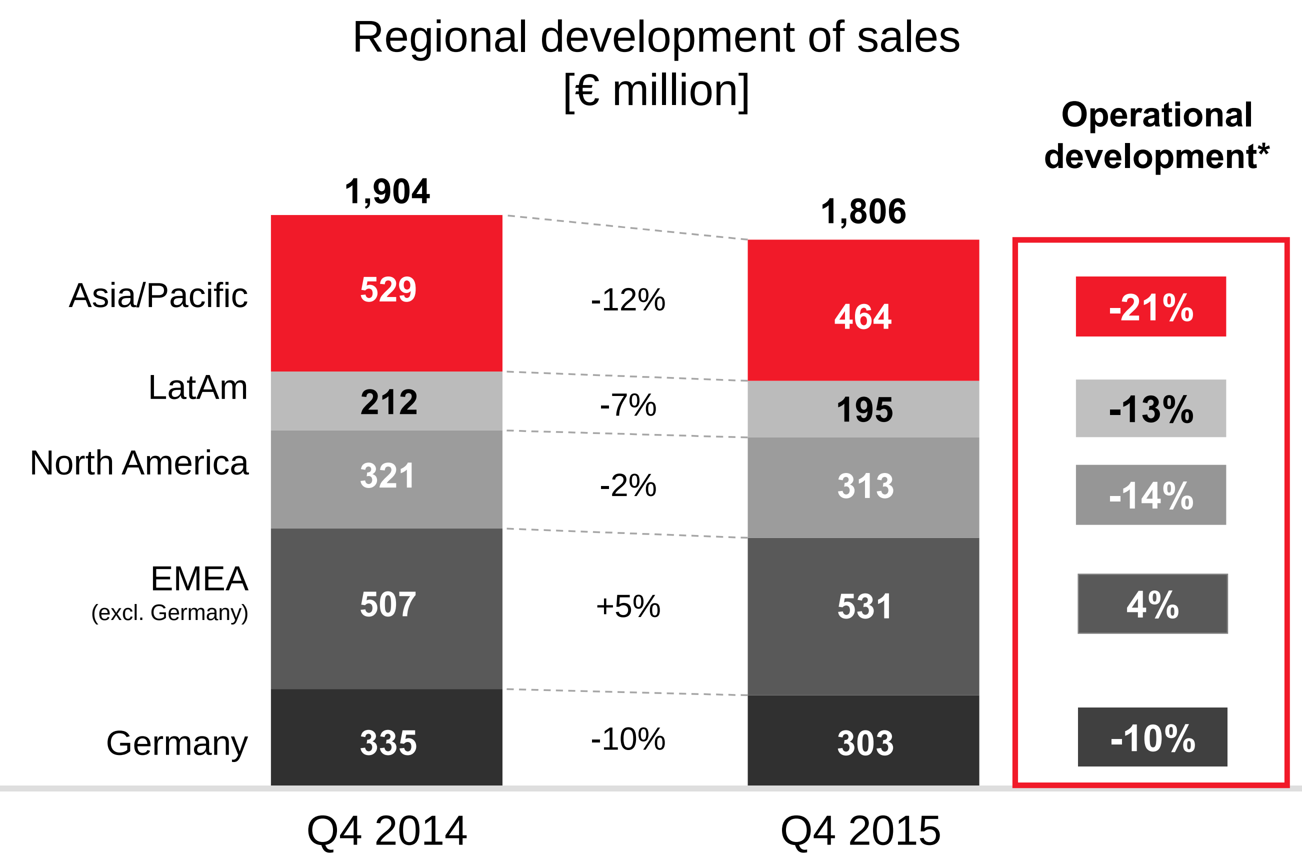
Q4 2015: EMEA only region showing sales growth in Q4

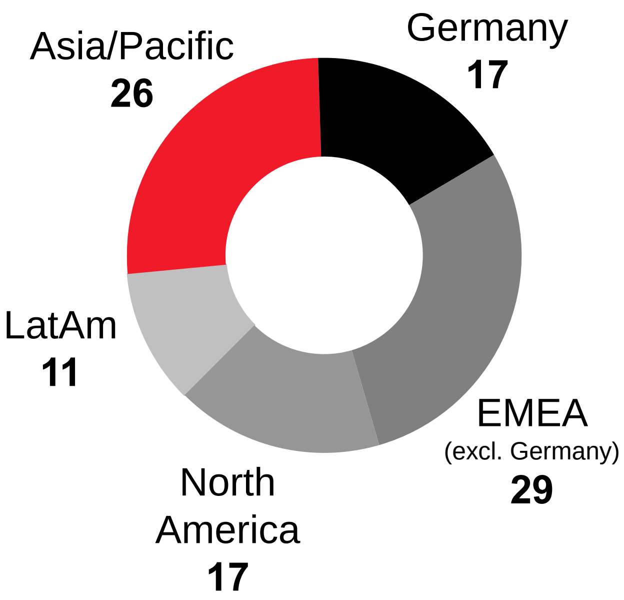




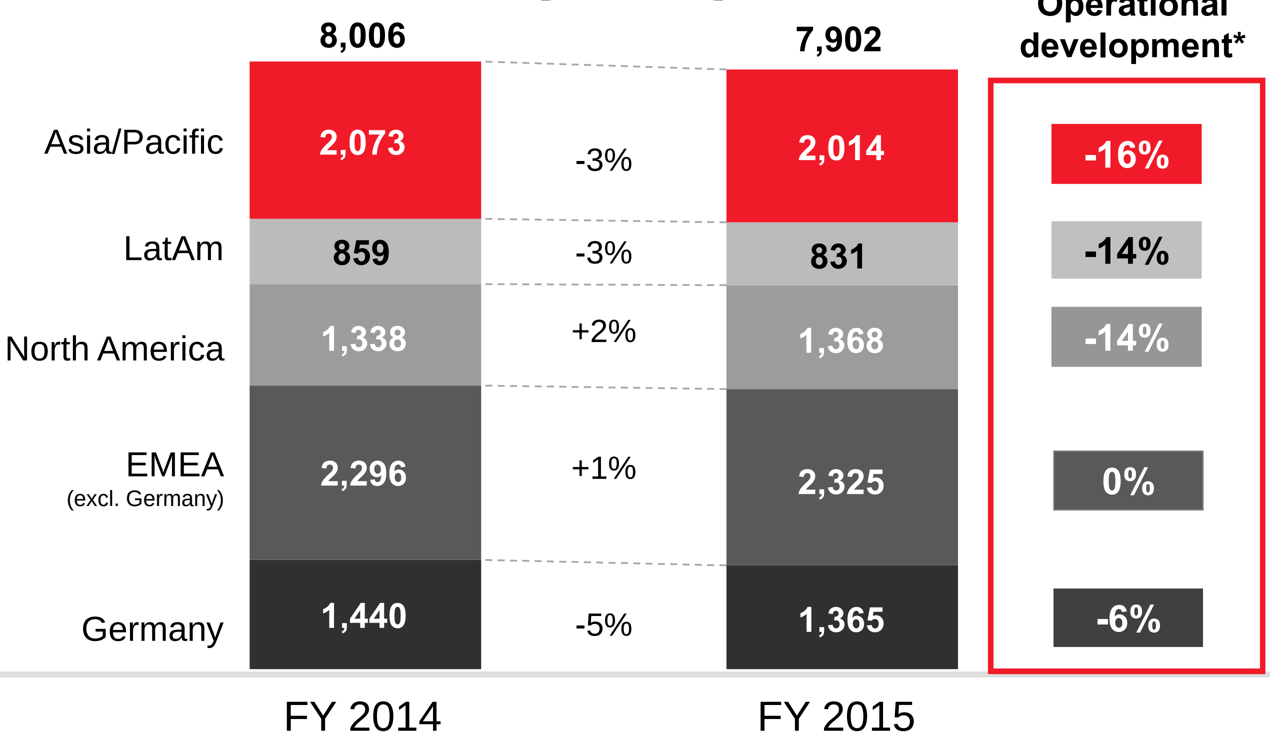
* Currency and portfolio adjusted

FY 2015: Sales in all regions impacted by lower prices, driven by raw materials

FY 2015 sales by region
[%]



Regional development of sales
[€ million]



* Currency and portfolio adjusted

Q4 2015: Earnings close to prior-year level

[€ m]	Q4 2014		Q4 2015		yoy in %
Sales	1,904	(100%)	1,806	(100%)	-5%
Cost of sales	-1,574	(83%)	-1,441	(80%)	8%
Selling	-182	(10%)	-186	(10%)	-2%
G&A	-71	(4%)	-82	(5%)	-15%
R&D	-36	(2%)	-32	(2%)	11%
EBIT	**-62**	**(-3%)**	**71**	**(4%)**	**>100%**
Net Income	**-68**	**(-4%)**	**15**	**(1%)**	**>100%**
EPS	**-0.74**		**0.16**		**>100%**
EPS pre*	0.09		-0.16		<100%
EBITDA	62	(3%)	141	(8%)	>100%
thereof exceptionals	-92	(5%)	-10	(1%)	-89%
EBITDA pre exceptionals	**154**	**(8.1%)**	**151**	**(8.4%)**	**-1.9%**

- Sales decline raw material driven, mitigated by positive FX effect
- Cost of sales decrease disproportionately to top line due to FX effect, savings and the absence of one-time costs**
- G&A costs were dampened by provisions for variable compensation and extraordinary D&A
- Lower exceptional items improve EPS and net income

Fourth quarter profitability affected by typical seasonal pattern

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

** Q4 2014 was dampened by one-time items that included ramp-up costs and inventory devaluation (totaling ~€25 m)

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FY 2015: First year after start of realignment shows improvement

[€ m]	FY 2014		FY 2015		yoy in %
Sales	8,006	(100%)	7,902	(100%)	-1%
Cost of sales	-6,418	(80%)	-6,154	(78%)	4%
Selling	-742	(9%)	-759	(10%)	-2%
G&A	-278	(3%)	-284	(4%)	-2%
R&D	-160	(2%)	-130	(2%)	19%
EBIT	**218**	**(3%)**	**415**	**(5%)**	**90%**
Net Income	**47**	**(1%)**	**165**	**(2%)**	**>100%**
EPS	**0.53**		**1.80**		**>100%**
EPS pre[1]	1.98		1.80		-9%
EBITDA	644	(8%)	833	(11%)	29%
thereof exceptionals	-164	(2%)	-52	(1%)	-68%
EBITDA pre exceptionals	**808**	**(10.1%)**	**885**	**(11.2%)**	**9.5%**

- Sales remain nearly stable as negative prices are offset by positive FX effects and volumes
- Cost of sales decrease mainly due to lower raw material costs
- Overhead costs base reduced, but selling costs were negatively impacted by FX effect and higher volumes, and G&A by extraordinary D&A
- Higher profitability and reduced exceptional items support net income and EPS
- EBITDA and margin improved

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

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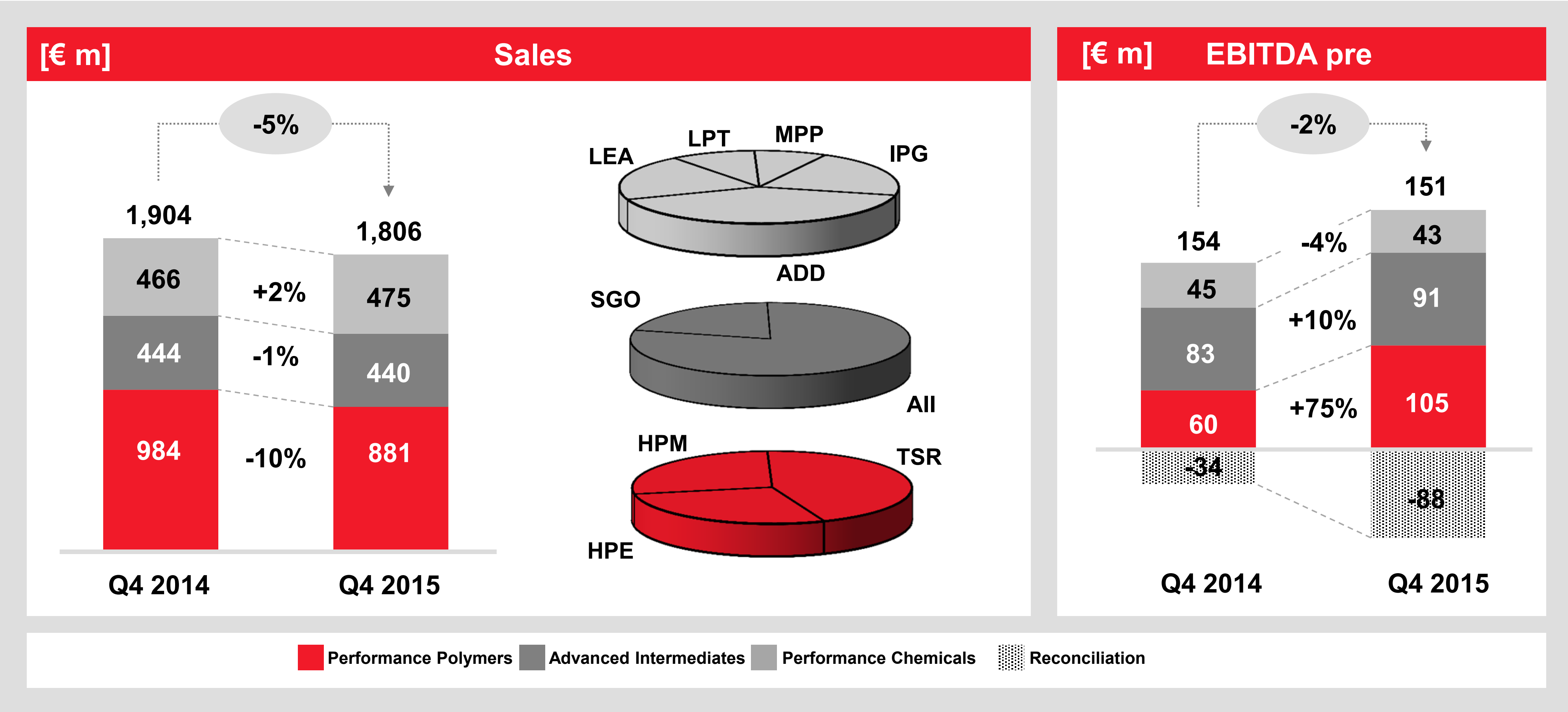
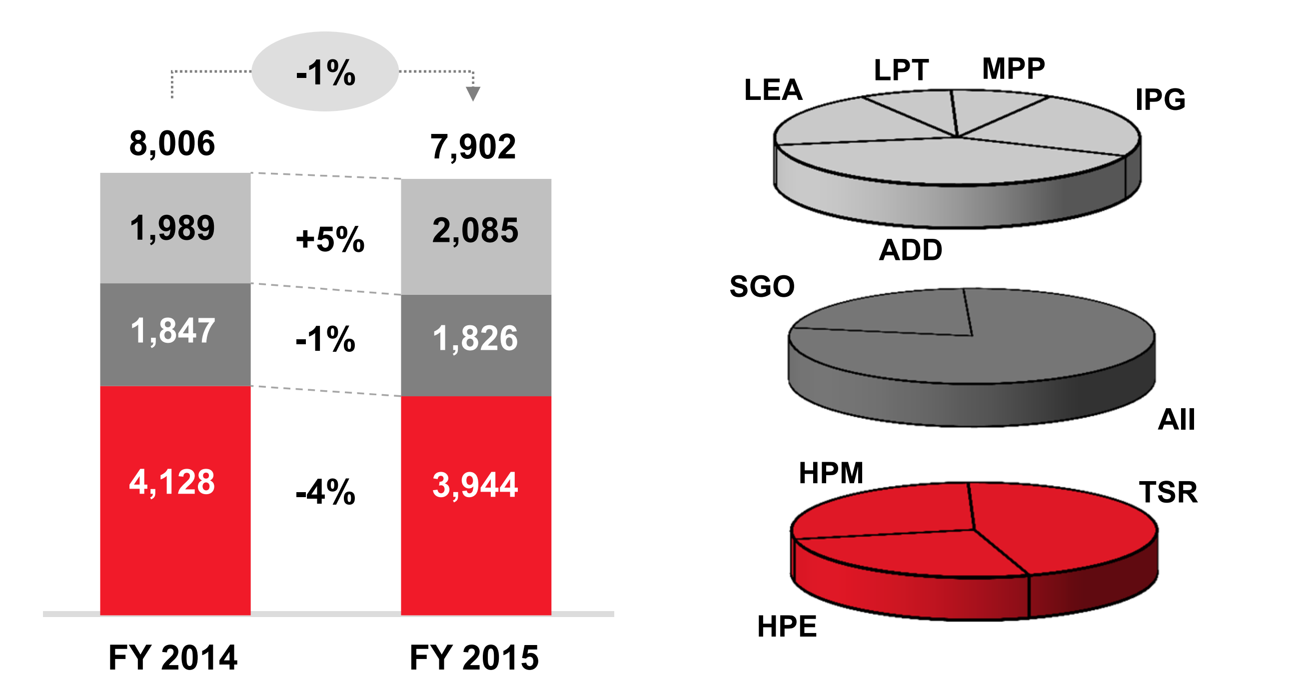
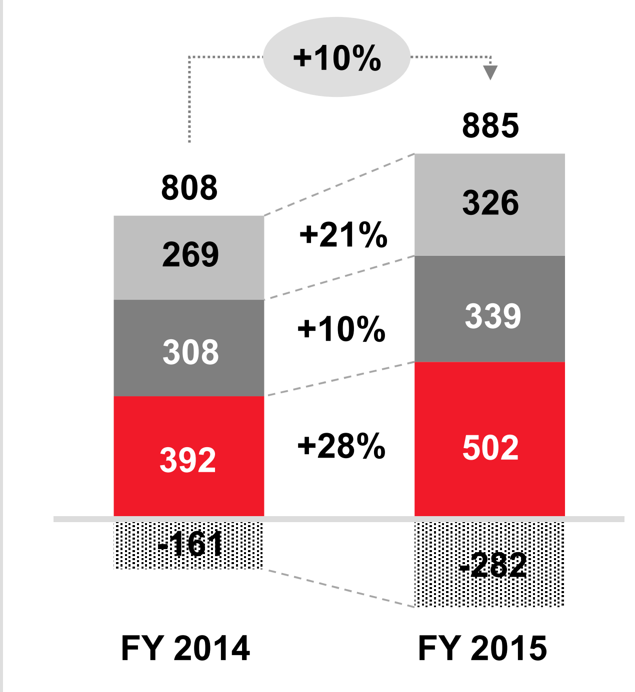
Q4 2015: Good operational contribution, but higher corporate costs from hedging



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

FY 2015: All segments contributed to EBITDA growth





Performance Polymers | Advanced Intermediates | Performance Chemicals | Reconciliation

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

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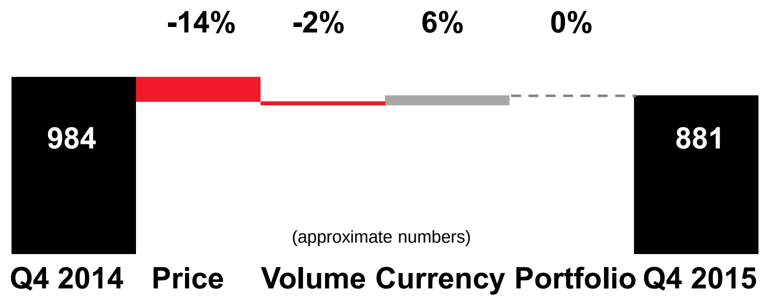
Performance Polymers: Good results despite continuing challenges in synthetic rubber

[€ m]	Q4 2014	Q4 2015	Δ	FY 2014	FY 2015	Δ
Sales	**984**	**881**	**-10.5%**	**4,128**	**3,944**	**-4.5%**
EBIT	-36	74	>100%	120	280*	>100%
Depr. / Amort.	72	30	-58.3%	231	227	-1.7%
EBITDA pre exceptionals	**60**	**105**	**75.0%**	**392**	**502**	**28.1%**
Margin	6.1%	11.9%		9.5%	12.7%	
Capex	**157**	**88**	**-43.9%**	**428**	**184**	**-57.0%**

Q4 sales bridge yoy [€ m]



Q4 yoy EBITDA pre effects

+
- Significant savings and absence of one-time costs in Q4 '14 (~€25 m) outweigh idle costs from new assets in Asia
- Good volume contribution in BU HPM

-
- Lower selling prices due to raw material price declines and competitive pressure in synthetic rubber
- Lower volumes in synthetic rubber due to weaker business in emerging markets

- EBIT/D&A included contrary exceptionals in '14 vs '15**

* Includes sale of assets (BU TSR) and spare infrastructure (BU HPM); ~€40 m in Q2 2015

** Q4 2014 with depreciation of technology plant in Belgien (€19 m), Q4 2015 with write-back (€37 m)

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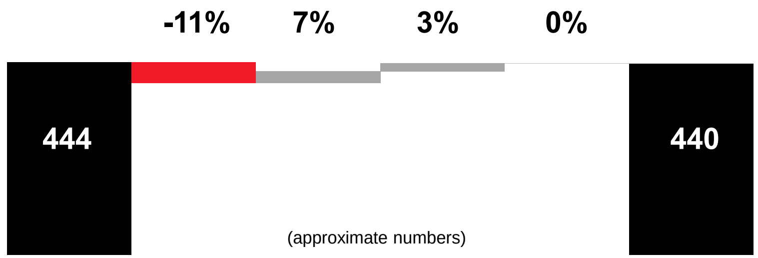
Advanced Intermediates: A quarter marked by good volume concludes a very profitable year

[€ m]	Q4 2014	Q4 2015	Δ	FY 2014	FY 2015	Δ
Sales	**444**	**440**	**-0.9%**	**1,847**	**1,826**	**-1.1%**
EBIT*	52	85	63.5%	202	258	27.7%
Depr. / Amort.	24	6	-75.0%	93	80	-14.0%
EBITDA pre exceptionals	**83**	**91**	**9.6%**	**308**	**339**	**10.1%**
Margin	18.7%	20.7%		16.7%	18.6%	
Capex	**34**	**37**	**8.8%**	**90**	**87**	**-3.3%**

Q4 sales bridge yoy [€ m]



Q4 yoy EBITDA pre effects

- Both BUs showed volume increases
- Strong USD had a positive effect on both BUs
- EBITDA was supported by good utilization in BU AII and strong contribution from BU SGO (project-driven)

- Lower selling prices reflect pass-through of raw material prices
- EBIT/D&A in Q4 2015 include write-back of ~€19 m*

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

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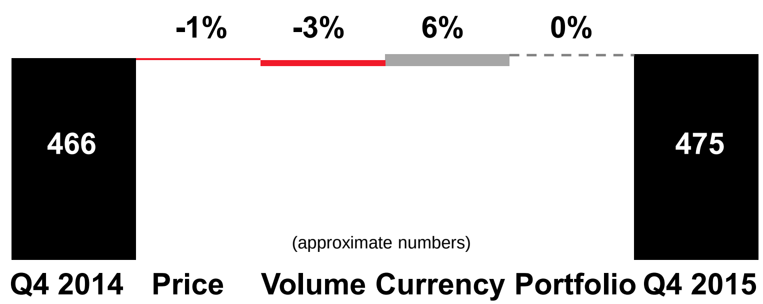
Performance Chemicals: A strong year ends with a typical fourth quarter

[€ m]	Q4 2014	Q4 2015	Δ	FY 2014	FY 2015	Δ
Sales	**466**	**475**	**1.9%**	**1,989**	**2,085**	**4.8%**
EBIT	6	15	>100%	156	225	44.2%
Depr. / Amort.	21	23	9.5%	82	88	7.3%
EBITDA pre exceptionals	**45**	**43**	**-4.4%**	**269**	**326**	**21.2%**
Margin	9.7%	9.1%		13.5%	15.6%	
Capex	**37**	**65**	**75.7%**	**71**	**139**	**95.8%**

Q4 sales bridge yoy [€ m]



Q4 yoy EBITDA pre effects

+
- Selling prices almost unchanged
- Positive currency effects in all BUs

–
- Lower chrome ore prices weigh on earnings (BU LEA)
- Lower volumes in most BUs; mainly due to weaker emerging markets

○
- Capex increase driven by final payments for new plant in China (BU IPG)

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

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FY 2015 financial overview: Improvement in all key figures and good cash conversion

[€ m]	FY 2014	FY 2015	yoy in %
Sales	**8,006**	**7,902**	**-1.3%**
EBITDA pre except.	**808**	**885**	**9.5%**
margin	10.1%	11.2%	
EPS	**0.53**	**1.80**	**>100%**
EPS pre[1]	1.98	1.80	-9.1%
Capex	**614**	**434**	**-29.3%**
Free Cash Flow[2]	**183**	**258**	**41.0%**
[€ m]	**31.12.2014**	**31.12.2015**	**Δ %**
Net financial debt	**1,336**	**1,211**	**-9.4%**
Net working capital	**1,600**	**1,526**	**-4.6%**
ROCE	**7.9%**	**8.4%**	
Employees	**16,584**	**16,225**	**-2.2%**

- Sales nearly stable as lower selling prices (raw material pass-through) are largely offset by positive FX effect
- EBITDA increases due to cost savings, FX effect and slightly higher volumes
- Capex actively reduced; cycle of investment in synthetic rubber completed
- Net financial debt reduced on basis of free cash flow contribution

[1] Net of exceptionals, using the local tax rate applicable where the expenses were incurred
[2] Operating cash flow minus capex

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Q4 2015: Strong cash flow in a capex-intensive quarter

[€ m]	Q4 2014	Q4 2015
Profit before tax	**-107**	**42**
Depreciation & amortization	124	70
Gain from sale of assets	-1	0
Result from investments (using equity method)	4	0
Financial (gains) losses	22	17
Cash tax payments/refunds	-14	-28
Changes in other assets and liabilities	-27	-5
Operating cash flow before changes in WC	**1**	**96**
Changes in working capital	408	254
Operating cash flow	**409**	**350**
Investing cash flow	**-91**	**-234**
thereof capex	-240	-205
Financing cash flow	**-175**	**-101**

- D&A lower due to write-backs, more than compensating for the effect of an increased asset base (new plants in Asia)
- Changes in working capital had expected positive contribution (lower inventory volumes and impact of lower raw material costs)
- Investing cash flow in Q4 ‘15 was mainly driven by capex, while Q4 ‘14 included cash-in from sale of near cash assets

Working capital reduction drove cash flow development in Q4

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FY 2015: Improved free cash flow on higher earnings and lower capex

[€ m]	FY 2014	FY 2015
Profit before tax	**80**	**288**
Depreciation & amortization	426	418
Gain from sale of assets	-1	-42
Result from investments (using equity method)	-2	0
Financial (gains) losses	75	66
Cash tax payments/refunds	-31	-98
Changes in other assets and liabilities	103	-33
Operating cash flow before changes in WC	**650**	**599**
Changes in working capital	147	93
Operating cash flow	**797**	**692**
Investing cash flow	**-587**	**-400**
thereof capex	-614	-434
Financing cash flow	**-222**	**-333**

- Operational D&A higher, however increased asset base (new plants in Asia) offset by exceptional write-backs
- Changes in other assets and liabilities burden in ‘15 mainly due to effects from hedging of intercompany financing, variable compensation and restructuring
- Lower capex level and reduction of working capital contributed substantially to free cash flow

Free cash flow increased from €183 m to €258 m*

* Operating cash flow minus capex

LANXESS

Balance sheet further strengthened

[€ m]	Dec 2014	Dec 2015
Total assets	7,250	7,219
Equity	2,161	2,323
Equity ratio	**30%**	**32%**
Net financial debt	**1,336**	**1,211**
Near cash, cash & cash equivalents	518	466
Pension provisions	1,290	1,215
ROCE[1]	**7.9%**	**8.4%**
Net working capital	1,600	1,526
Net working capital/sales[1]	20%	19%
DIO (in days)[2]	79	84
DSO (in days)[3]	48	48

- Total assets decrease slightly – primarily due to lower working capital
- Equity ratio up to 32%
- Net financial debt successfully reduced to ~€1.2 bn
- Pension provisions below year-end level 2014; driven by interest rate changes (mainly in Germany)
- Working capital to sales ratio at a good level

[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

LANXESS

Balance sheet strengthened

[€ m]	Dec'14	Jun'15	Dec'15		Dec'14	Jun'15	Dec '15
Non-current assets	**4,101**	**4,109**	**4,180**	**Stockholders' equity**	**2,161**	**2,288**	**2,323**
Intangible assets	320	313	300	**Non-current liabilities**	**3,447**	**3,503**	**2,936**
Property, plant & equipment	3,333	3,359	3,447	Pension & post empl. provis.	1,290	1,292	1,215
Equity investments	0	0	0	Other provisions	275	297	271
Other investments	13	13	12	Other financial liabilities	1,698	1,719	1,258
Other financial assets	11	6	21	Tax liabilities	25	26	19
Deferred taxes	380	381	361	Other liabilities	138	131	127
Other non-current assets	44	33	39	Deferred taxes	21	38	46
Current assets	**3,149**	**3,313**	**3,039**	**Current liabilities**	**1,642**	**1,631**	**1,960**
Inventories	1,384	1,411	1,349	Other provisions	350	382	411
Trade accounts receivable	1,015	1,183	956	Other financial liabilities	182	111	443
Other financial & current assets	232	287	268	Trade accounts payable	799	829	779
Near cash assets	100	228	100	Tax liabilities	44	53	85
Cash and cash equivalents	418	204	366	Other liabilities	267	256	242
Total assets	**7,250**	**7,422**	**7,219**	**Total equity & liabilities**	**7,250**	**7,422**	**7,219**

- Lower working capital due to lower receivables and lower inventories
- Stockholders' equity increased with good net income contribution in 2015

LANXESS

Backup

Housekeeping items

Additional financial expectations

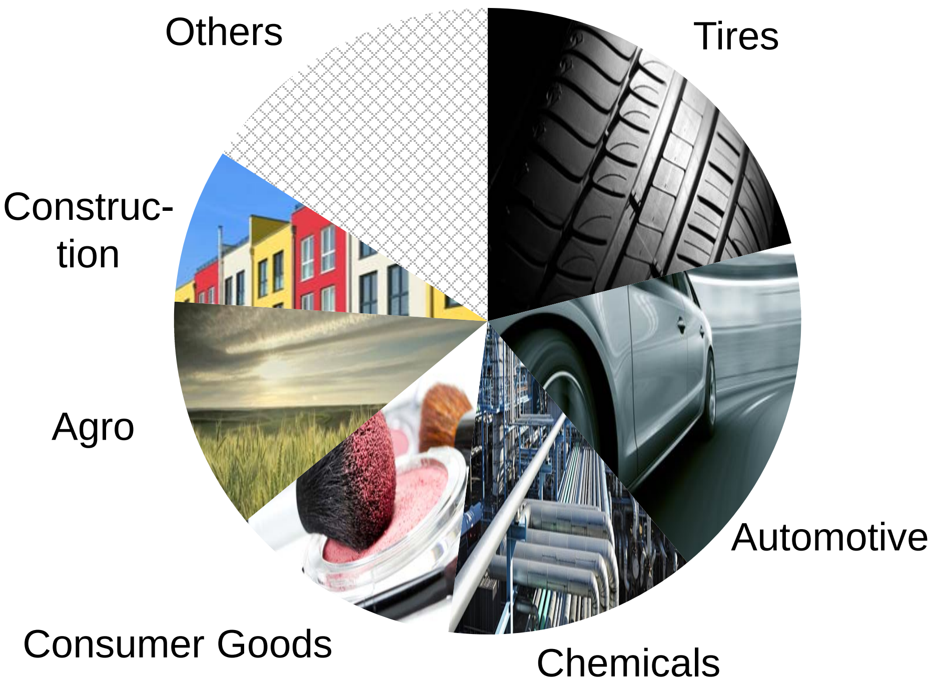
▪ Capex 2016:	~€450 m
▪ Operational D&A 2016:	~€450-460 m
▪ Reconciliation 2016:	underlying expenses of ~-€150 m EBITDA; additionally hedging expenses of ~€90 m in 2016*
▪ Annual tax rate:	- 2016: around 2015 level - mid-term: 30-35% (for New LANXESS)

* Based on an exchange rate of 1.10 USD/EUR

LANXESS

New LANXESS well diversified

LANXESS group - sales by industry 2015



New LANXESS sales by industry 2015

ARLANXEO sales by industry 2015

* Amongst other consumer, chemicals, construction

LANXESS

2015: LANXESS now on solid foundation: Transformation ahead of plan, management teams in place

1 Business & administration structure competitiveness

- Restructuring of R&D and SG&A
- ~1,000 headcount reduction
- Savings realized earlier than originally anticipated

~€150 m savings by end of 2015 ✓

2 Operations competitiveness

- Site-by-site analysis of production and supply chain to identify and leverage synergies
- Capacity adjustments announced for EPDM, NBR, ESBR and PBR rubbers

~€150 m additional efficiency gains by end 2019 ✓

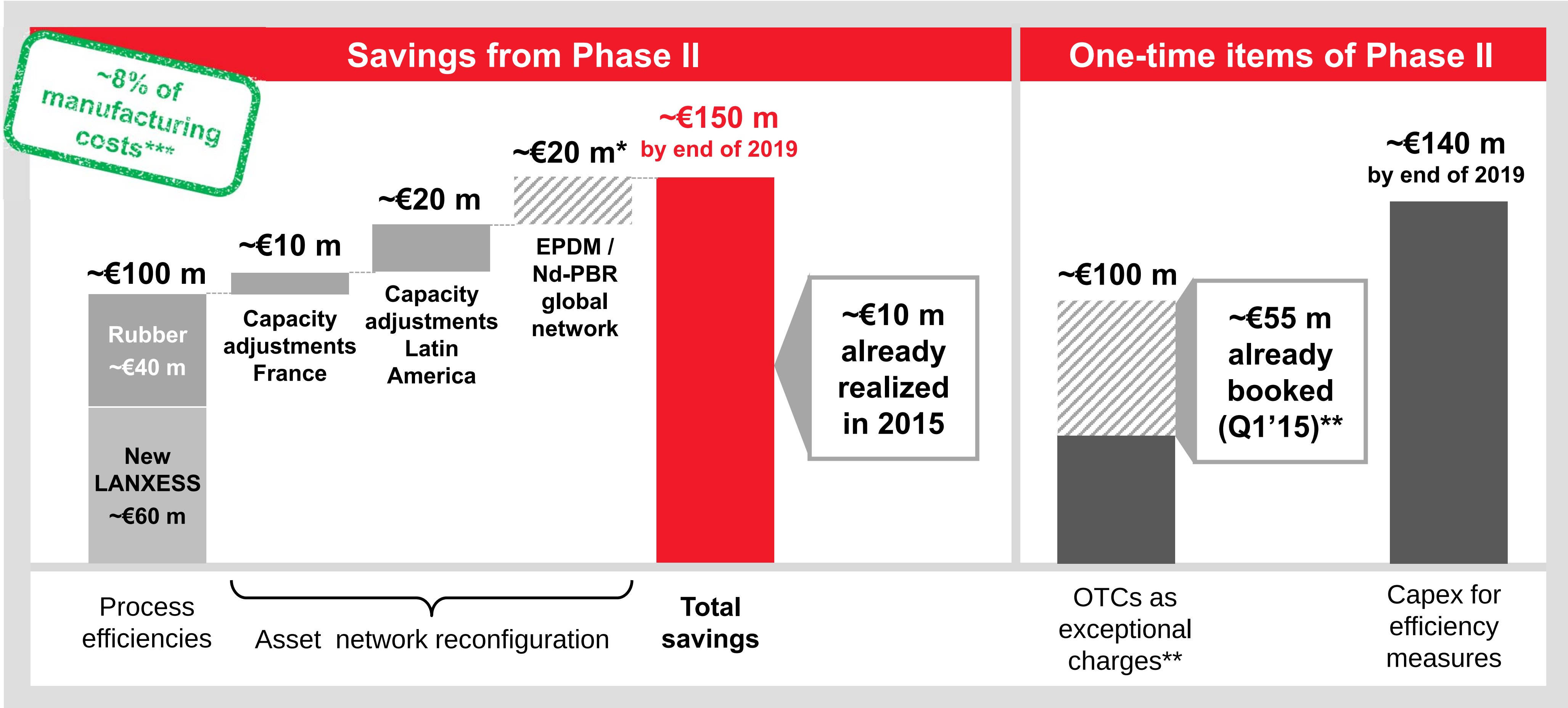
3 Portfolio competitiveness and alliances

- Strategic alliances to address lack of backward integration
- Saudi Aramco and LANXESS enter a strategic joint venture for synthetic rubber
- Start of JV April 1st

JV for synthetic rubber business resulting in cash in of ~€1.2 bn ✓

LANXESS

~€150 m savings from Phase II – through process efficiencies and asset network reconfiguration



* €20 m savings from the EPDM and Nd-PBR reconfiguration already communicated in March 2015

** OTCs include ~€55 m already communicated and booked (Marl / Nd-PBR reconfiguration) / *** Cost base 2014 without depreciation and amortization

LANXESS

Phase I savings realized faster than anticipated

Faster execution of realignment program Phase I

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

Already realized by end of 2015

Financial details on Phase II

Detailed table to summarize financial impact of restructuring Phase II

		2015	2016	2017	2018	2019	Total
[€ m]	**P&L expense (OTC)**	~60	~30	~10			**~100**
[€ m]	**Cash-out (OTC)**	~5	~50	~20	~15		**~90**
[€ m]	**Capital Invest**	by 2019					**~140**
[€ m]	**Cost reduction**	~10	~20	~40	~40	~40	**~150**

Includes €20 m savings from the EPDM and Nd-PBR reconfiguration already communicated in March 2015 / OTCs include ~€55 m already communicated and booked in 2015 (Marl / Nd-PBR reconfiguration) / OTC = one-time-costs booked as exceptionals

LANXESS

Saudi Aramco and LANXESS form a highly competitive 50:50 joint venture

Combination of two powerful partners

aramco

- World's largest integrated energy enterprise
- Backward integration into feedstock for synthetic rubber
- Strategic commitment to further develop value chain downstream

#1 in feedstock

LANXESS

- Leading market and technology positions in synthetic rubber
- Well invested asset base
- Broadest product portfolio with leading brands and quality

#1 in synthetic rubber

The JV with Saudi Aramco generally offers several ways of value creation

Near-term strategic initiatives

Horizontal consolidation

R&D and technology-related investments

Investments in Saudi Arabia

After closing: 1 to 5 years

Mid-term initiatives

Integration of value chains:

- **Building C4 extraction units**
- **Terminals for physical butadiene**
- **Tolling agreements**
  - Supply of naphtha to existing suppliers
- **Swap agreements**
  - Logistics and supply chains already in place
  - No transportation costs due to direct procurement

Time horizon 5 to 10 years

LANXESS

New strategic focus: Building a more balanced and resilient company

Advanced Intermediates

- Leading market positions and process technologies
- Efficient and strong production platform
- Highly diversified end markets

Delivering chemical intermediates

Performance Chemicals

- Strong positioning in a broad range of niche markets
- Low importance of raw materials
- Acting as solution provider

Adding functionality, color or processability to products

High Performance Materials

- A leading producer of engineering plastics
- Balanced value chain with limited exposure to volatile markets

High-tech plastics for a wide range of end markets

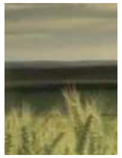
ARLANXEO Performance Elastomers

- Leading market positions with strong and diversified portfolio
- Broadest synthetic rubber platform with competitive advantage for future development

Highly competitive JV and global #1 for synthetic rubber

LANXESS

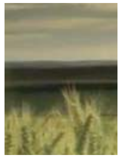
A lean business organization



Advanced Intermediates
- Advanced Industrial Intermediates
- Saltigo

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

Performance Polymers
- Tire & Specialty Rubbers
- High Performance Elastomers
- High Performance Materials



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

High Performance Materials*
- High Performance Materials

ARLANXEO

ARLANXEO*
- Tire & Specialty Rubbers
- High Performance Elastomers

* Future reporting structure as of Q2 2016 – ARLANXEO to be fully consolidated for the first three years

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

LANXESS

New LANXESS: resilient, cash generating and well positioned in growing markets

Strong businesses	Advanced Intermediates	Performance Chemicals	High Performance Materials
Resilience (EBITDA margin)	▪ Proven level of 15-18% ▪ Margin volatility of ~2-3% pts	▪ Sustainable at 13-16% ▪ Margin volatility of ~2-3% pts	▪ Target margin >10%, resilience moving forward with transformation of business
Cash generation	▪ Attractive cash generation through technology leadership and efficient business set-up	▪ Considerable cash generation based on good mix of solution focused businesses	▪ Cash generation will improve with a more balanced value chain and shift to higher-margin businesses
Growth	▪ Growth slightly above GDP	▪ Growth with GDP	▪ Growth above GDP

Valuable businesses with resilience, cash generation and growth opportunities

LANXESS

Capex spent with strong cash conversion potential

Planned growth capex until 2020

~€100–150 m

~€100–150 m

~€50–100 m

Strong cash conversion

LANXESS

Saltigo – First investment in LANXESS' transformation process

Saltigo

Custom manufacturing, in particular agro, nicely growing

- General agro market growth expected at ~3% p.a. for next 10 years
- Saltigo growing above market

- Existing production assets well utilized
- Projects currently in evaluation phase would fill additional capacity fast

Further capacities required to support growth of world-scale customers

Investing in highly competitive multi-purpose production facilities

- Brownfield investment in two new production lines within existing asset park in Leverkusen (GER)
- Capex: ~€60 m
- Start-up planned by end of 2017

Investment with attractive return and EBITDA contribution

LANXESS

Corporate Responsibility well integrated - achieving goals sustainably

Climate / Environmental goals

- Reduction of specific CO_2 emission by 25%* until 2025
- Reduction of specific energy consumptions by 25%* until 2025
- Reduction of volatile organic compounds (NMVOC) emissions by 25%* until 2025

Procurement initiatives

- ‘Supplier Code of Conduct’ for supplier selection and rating
- ‘Together for Sustainability’ initiative for higher transparency in the supply chain (implementation of a global auditing program)

Safety goals

- 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
- Education initiatives with local and global commitment

THE GLOBAL COMPACT WE SUPPORT · CDP DRIVING SUSTAINABLE ECONOMIES · MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM · oekom research Rating Category: C+ · FTSE4Good

* Base year: 2015; for CO_2: Scope 1 and Scope 2 emissions

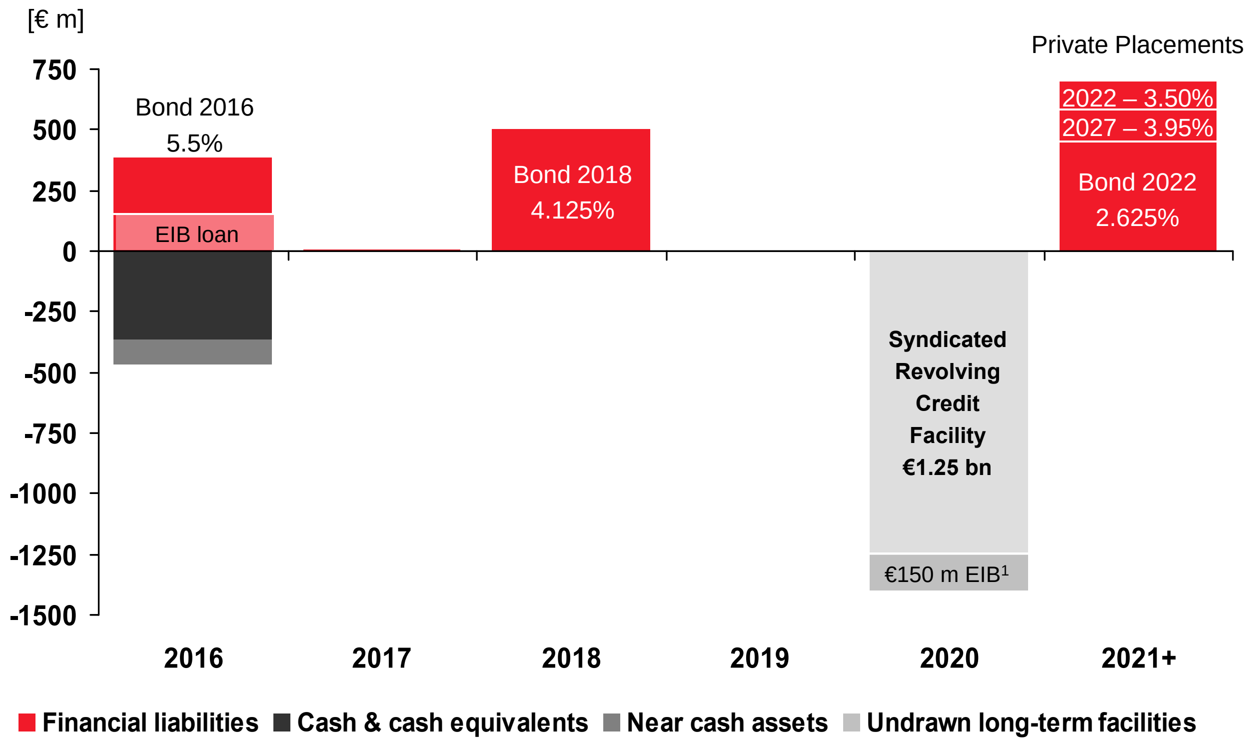
LANXESS

A well-managed and conservative maturity profile

Long term financing secured

- Diversified financing sources
  - Bonds & private placements
  - Syndicated credit facility
  - Bank facilities
- Outstanding tranche of EIB loan now repaid (January 2016)
- All group financing executed without financial covenants
- No refinancing needed in 2016 due to cash position and JV proceeds

Liquidity and maturity profile as of December 2015



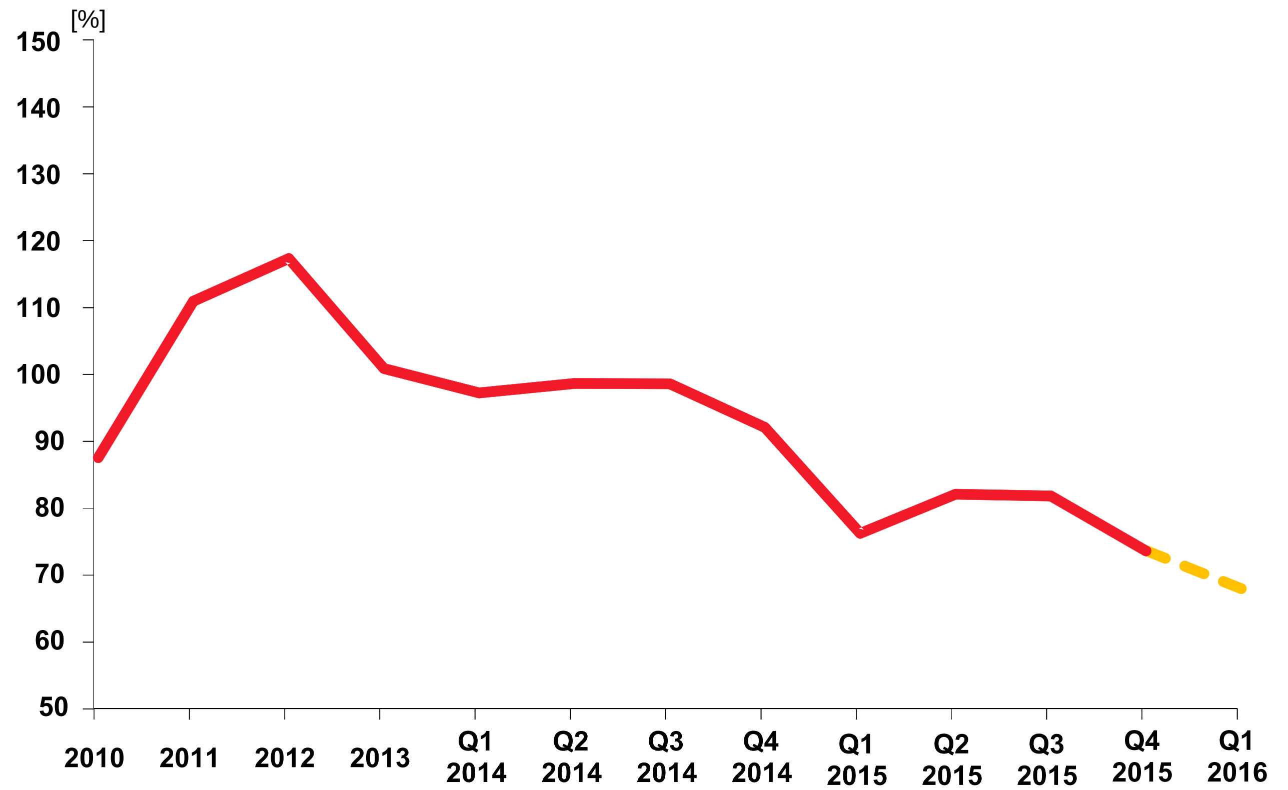
EIB = European Investment Bank

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

LANXESS

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 decline in the price of oil
- Raw material price remained volatile, trending downwards towards year end
- Q1 2016 expected with further decrease in raw material prices

* Source: LANXESS, average 2013 = 100%

LANXESS

Overview exceptional items Q4 and YTD

[€ m]	Q4 2014		Q4 2015		FY 2014		FY 2015	
	Excep.	Thereof D&A	Excep.	Thereof D&A	Excep.	Thereof D&A	Excep.	Thereof D&A
Performance Polymers	43	19	-36	-37	61	20	-31	-26
Advanced Intermediates	7	0	-19	-19	13	0	-18	-19
Performance Chemicals	18	0	5	0	31	0	13	0
Reconciliation	43	0	4	0	79	0	43	0
Total	**111**	**19**	**-46**	**-56**	**184**	**20**	**7**	**-45**

Exceptional items in 2015 include write-backs of €56 m

LANXESS

Abbreviations

Performance Polymers

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

Performance Chemicals

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

Advanced Intermediates

- AII Advanced Industrial Intermediates
- SGO Saltigo

LANXESS

Upcoming events 2016

Proactive capital market communication

Goldman Sachs Chemicals Vision Conference	March 18	London
MainFirst Corporate Conference	April 7	Copenhagen
Exane BNP 11th Basic Materials Conference	April 7	London
Q1 results 2016	**May 11**	
Annual General Meeting	**May 20**	**Cologne**
Deutsche Bank 7th Annual dbAccess Asia Conference	May 24/25	Singapore
dbAccess German, Swiss & Austrian Conference	June 8/9	Berlin
Exane BNPP 18th Europe CEO Conference	June 15	Paris
Q2 results 2016	**August 10**	
Capital Markets Event “Meeting the Management”	**September 8**	**Cologne**
Q3 results 2016	**November 10**	
Morgan Stanley Global Chemical Conference	November 14	Boston
Deutsche Börse Eigenkapital Forum	November 21	Frankfurt

LANXESS

Contact details Investor Relations

Oliver Stratmann

Head of Treasury & Investor Relations

Tel. : +49-221 8885 9611
Fax. : +49-221 8885 5400
Mobile : +49-175 30 49611
Email : Oliver.Stratmann@lanxess.com

Janna Günther

Assistant to Oliver Stratmann

Tel. : +49-221 8885 9834
Fax. : +49-221 8885 4944
Mobile : +49-151 74612615
Email : Janna.Guenther@lanxess.com

LANXESS IR website

Ulrike Rockel
Head of Investor Relations

Tel. : +49-221 8885 5458
Mobile : +49-175 30 50458
Email : Ulrike.Rockel@lanxess.com

Matthias Arnold
Institutional Investors / Analysts
Tel. : +49-221 8885 1287
Mobile : +49-151 74612343
Email : Matthias.Arnold@lanxess.com

Katharina Forster
Institutional Investors / Analysts / AGM
Tel. : +49-221 8885 1035
Mobile : +49-151 74612789
Email : Katharina.Forster@lanxess.com

Dirk Winkels
Institutional Investors / Analysts
Tel. : +49-221 8885 8007
Mobile : +49-175 30 58007
Email : Dirk.Winkels@lanxess.com