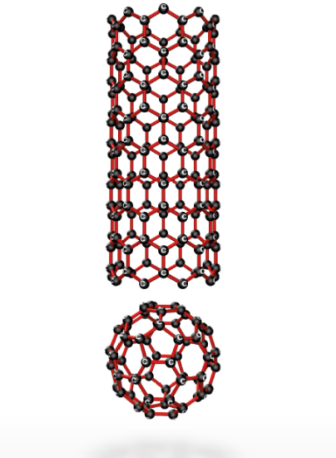
QUALITY WORKS.



LANXESS – Conference Presentation Q2 / 2017

The road ahead – expanding our strenghts

Investor Relations

LANXESS

Energizing Chemistry

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Agenda

- **Expanding our strengths**
- Q2 2017 and guidance – Performing in the new LANXESS structure
- Backup

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A rapidly changing world –
Our answer: Energizing chemistry!

What it takes to be successful in a changing environment

Mindset
- Agility
- Courage & team spirit

Balance
- Markets
- Industries

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Speed
- Lean structures
- Entrepreneurial organization

Leadership
- Markets
- Technology & innovation

A strong team and corporate culture make the difference

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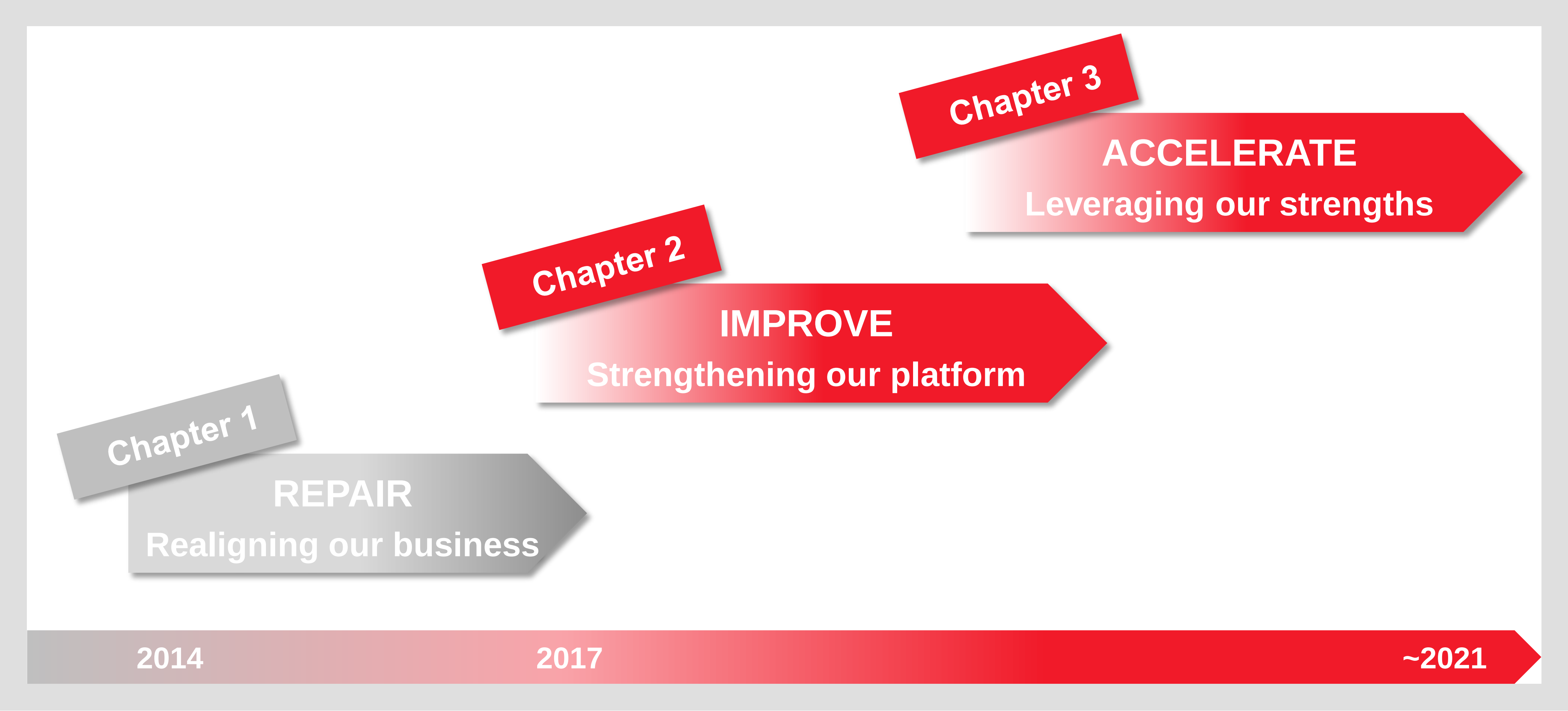
Our journey: Shaping New LANXESS – a story in three chapters



Recap Chapter 1: Rebuilding a competitive platform

Chapter 1
Repair

Chapter 2

Chapter 3

Business and administration structure competitiveness

- Consolidate BUs and GFs with similar business models
- Improve customer and market focus and leverage synergies
- Develop leaner administrative structures by restructuring and adjusting business models

Leaner organization, ~€150 m savings ✓

Operations competitiveness

- Manufacturing excellence:
  - Analyze and adjust asset base
  - Evaluate mothballings and site closures
  - Implementation of operational best practices
- Commercial & supply chain excellence

Transfer of best practices, ~€150 m savings ✓

Portfolio competitiveness and alliances

- Evaluate portfolio options to better balance the company set-up
- Consider alliances to improve competitive access to raw material e.g., for rubber businesses
- Improve market acce through marketing all

Foundation of ARLANXEO Acquisition of Chemtura ✓

&

Corporate culture: Shift to team performance

Chapter 1 prepared the ground for the New LANXESS platform

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Some value accretive portfolio modifications already addressed

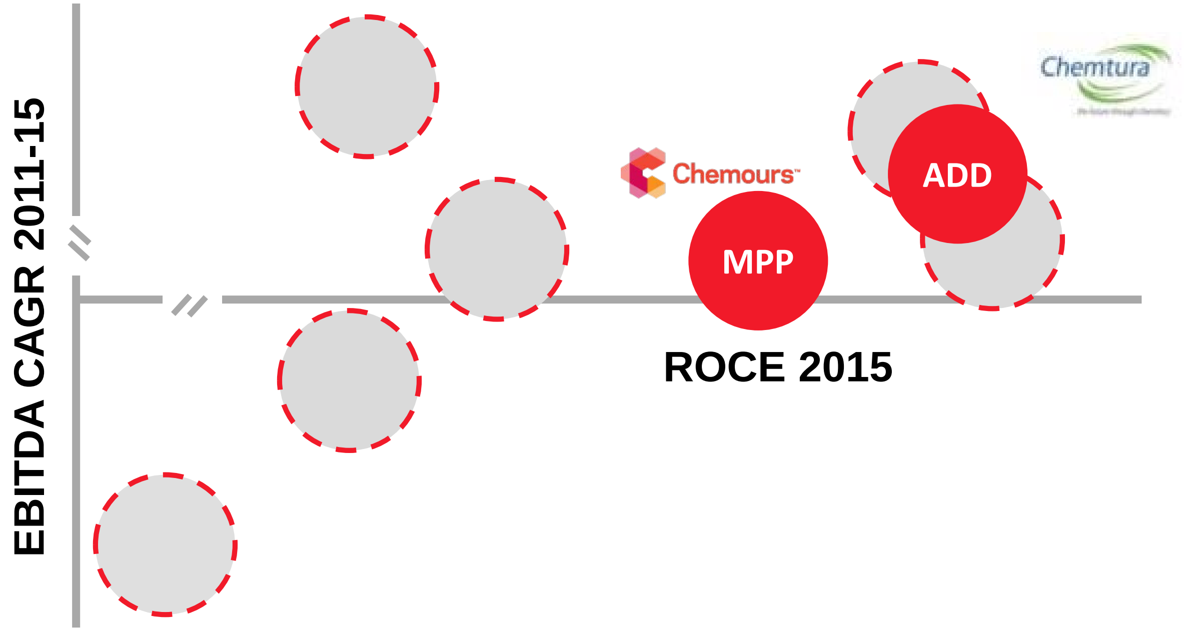
Chapter 1
Repair

Chapter 2

Chapter 3

Strategic portfolio upgrade started

- Businesses already started to improve
- Businesses still up for improvement



Sound financials

Chemtura

EBITDA adj.: ~€255 m

Synergies: ~€100 m

EV / EBITDA incl. synergies: ~7x

Chemours

EBITDA adj.: ~€20 m

Synergies: ~€10 m

EV / EBITDA incl. synergies: ~7x

Chemtura sales and EBITDA adjusted are based on FY 2016; USD / EUR 1.10

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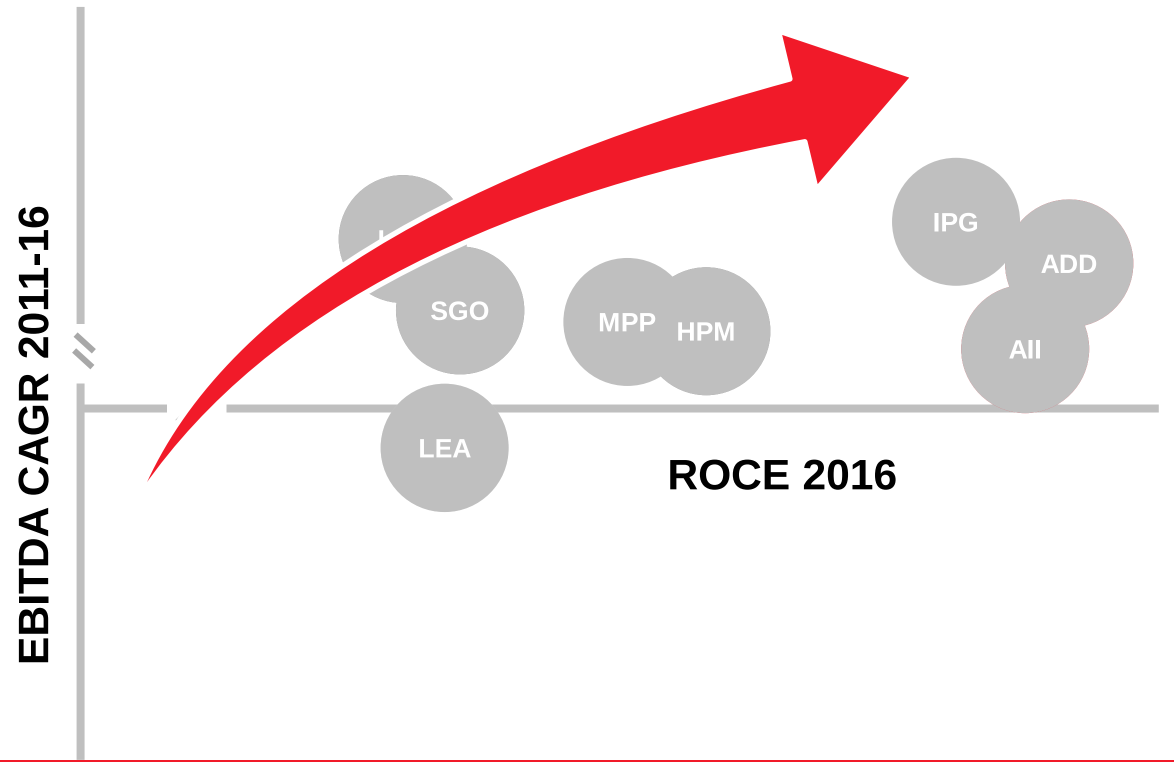
Restructuring and change of strategy yields first positive results

Chapter 1
Repair

Chapter 2

Chapter 3

LANXESS transformation starts to become visible



Substantial room for improvement left

Key 2016 points

- Phase 1 & 2 cost improvements become visible
- All BUs with improved organic return profile
- Growth is picking up

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But it takes more time to change a company fundamentally

Chapter 1
Repair

Chapter 2

Chapter 3

- Industry balance and market set-up need further improvement
- Leadership positions in many business units achieved but substantial catch-up still to be done
- Margin and profitability level has visibly improved but still lagging behind industry standards

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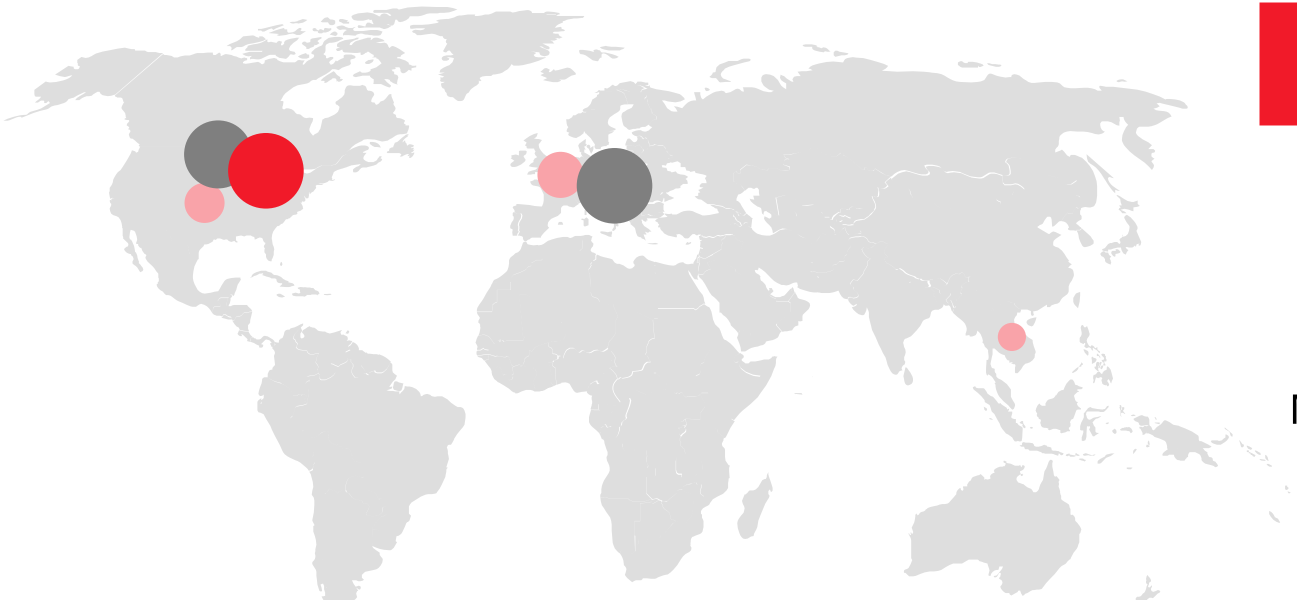
Chemtura integration: €100 m of synergies by 2020

Cost management | Organic investments | Portfolio management

Chapter 1

Chapter 2
Improve

Chapter 3



- Organizational streamlining
- Leveraging new regional strengths

€100 m synergy breakdown:

Corporate / country costs
~€30 m

Marketing and sales
~€20 m

Production and procurement set-up
~€50 m

Topline synergies provide additional comfort

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Organic investments will improve company ROCE

Cost management | **Organic investments** | Portfolio management

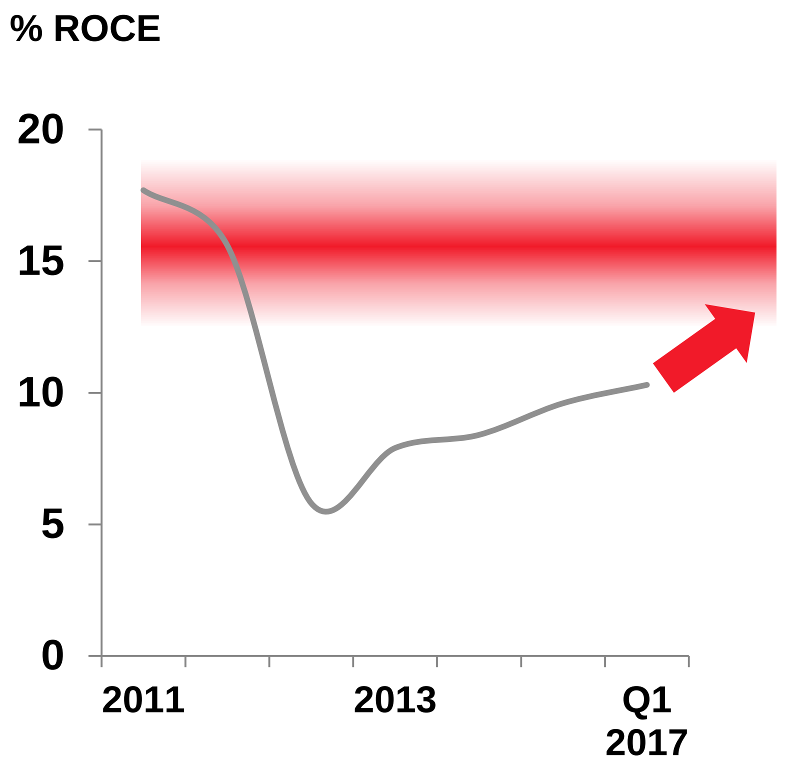
Chapter 1

Chapter 2
Improve

Chapter 3

- €100 m — Debottleneckings, BU AII
- €60 m — Debottleneckings, BU SGO, custom manufacturing
- €60 m — Greenfield, BU IPG
- €50-100 m — Debottleneckings, BU HPM, global compounding hubs
- €50 m — Debottleneckings in remaining BUs in Performance Chemicals
- €50-100 m — Investments in Specialty Additives

~€400 m capex until 2020 at ROCE of ~20%



Target: Increase ROCE to former levels

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Portfolio optimizing with clear criteria

Cost management | Organic investments | **Portfolio management**

Chapter 1

Chapter 2
Improve

Chapter 3

Profitability

Resilience

Acquisition / divestment

Market and technology leadership

Value creation

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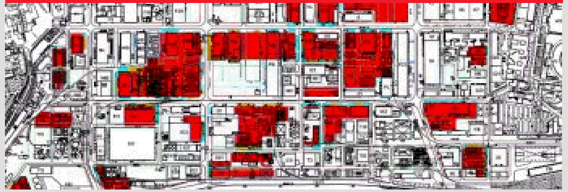
Chapter 3: More balanced and stronger platform along three key dimensions

Chapter 1

Chapter 2

Chapter 3
Accelerate

Regional platform	Industrial platform	Market positions
		

Balancing the ground for further growth

- Regionally balanced platform with no pronounced dependencies
- Diversified industrial platform mitigates impact from any individual industry's volatility
- Market positions in every business at least among leading players to keep or improve profitability level

Solid growth → **Chapter 3 will establish an even stronger platform**

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Vulnerability to single trends will be minimized

Chapter 1

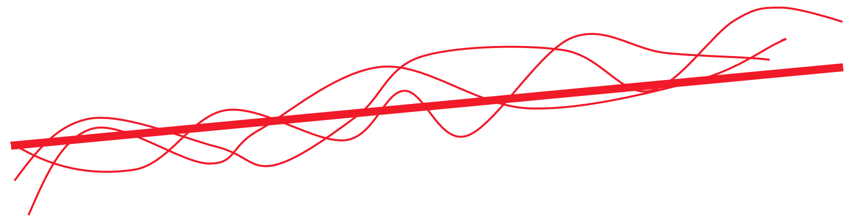
Chapter 2

Chapter 3
Accelerate

Peak to trough EBITDA margin volatility not to exceed 2-3%pts

Illustrative: Margin volatility

- Former dependency on few cyclical businesses
- Lack of cushioning interference of cyclical swings



- Improved balance of portfolio, regions and industries
- Cyclicality scaled back

Use of entire toolbox to improve resilience

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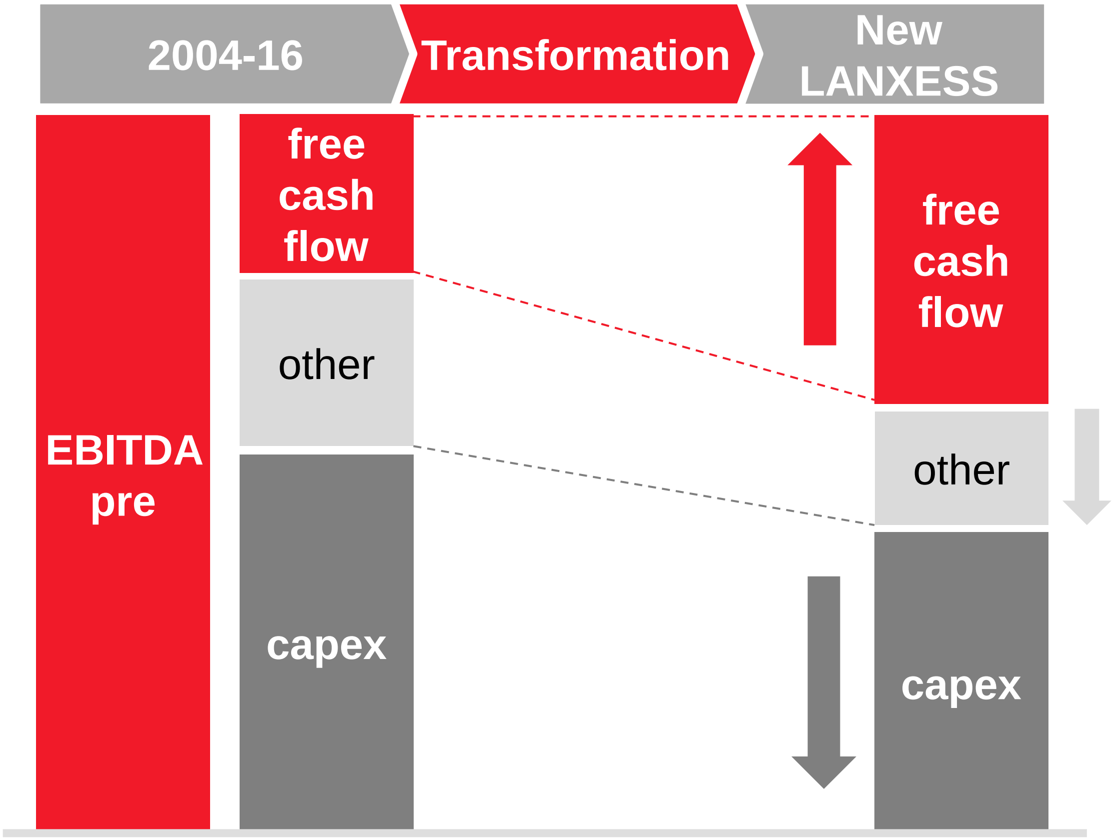
LANXESS free cash flow and cash conversion rate to improve

Chapter 1

Chapter 2

Chapter 3
Accelerate

Illustrative



- **EBITDA:** Structural improvement
- **Capex:** Lower because of asset light strategy and ARLANXEO deconsolidation
- **Other:**
  - Exceptionals to decline after Chemtura integration
  - Working capital: lower volatility
  - Tax rate to decline to 30-35%

Cash conversion* >60%

* Calculated as (EBITDA pre – capex) / EBITDA pre

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Chapter 3: Ambitious financial goals – substantially higher margins with significantly lower volatility

	How we started again	What we have achieved	What we aim for (~2021)
EBITDA pre margin (group, Ø through the cycle)	8-10%	10-14%	**14-18%**
Cash conversion	15% (2013)	56% (2016)	**>60%**
EBITDA margin volatility	HIGH	MEDIUM	LOW **2-3%pts**

Underlying growth: Sustainable >GDP growth targeted

Cash conversion: (EBITDA pre – capex) / EBITDA pre

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The destination of our journey: A company with convincing characteristics

Business platform	▪ Nicely balanced: Regionally and industrially, thus less cyclical ▪ Leading market and technology positions
Financial profile	▪ Resilient cash conversion ▪ Investment grade rating
Cultural profile	▪ Enthusiasm for what we do ▪ Performance team culture as basis for the next steps after 2021

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Agenda

- Expanding our strengths
- **Q2 2017 and guidance – Performing in the new LANXESS structure**
- Backup

Q2 2017 financial overview: a strong quarter in a dynamic environment

[€ m]	Q2 2016	Q2 2017	yoy in %
Sales	**1,943**	**2,522**	**30%**
EBITDA pre	**293**	**367**	**25%**
margin	15.1%	14.6%	
EPS	0.82	0.04	-95%
EPS pre*	0.88	1.54	75%
Capex	73	105	44%
[€ m]	**31.12.2016**	**30.06.2017**	**Δ %**
Net financial debt**	269	2,537	>100%
Net working capital	1,628	2,189	34%
ROCE***	6.9%	8.8%	

- Substantial sales increase driven by Chemtura and higher prices (raw material price pass-through)
- EBITDA pre reflects portfolio effects and positive price / raw material cost spread
- Net financial debt up due to ~€2.4 bn Chemtura acquisition
- Higher net working capital due to acquired businesses and substantially higher raw material prices

* net of exceptionals and amortization of intangible assets as well as attributable tax effects
** after deduction of current financial assets in 2016
*** 2017 calculated incl. Chemtura EBITpre pro forma based on 2016 earnings

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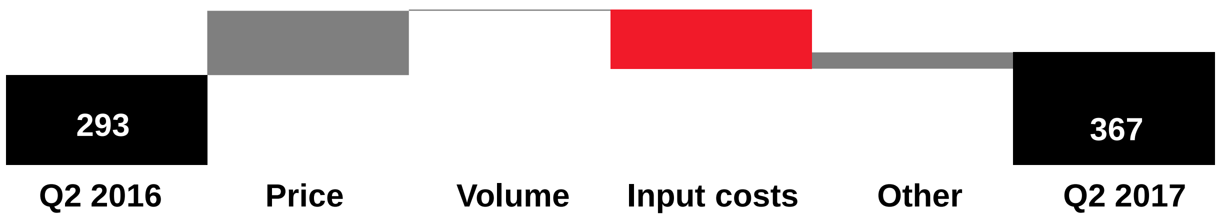
Q2 2017: Strong results with nice contribution by Chemtura acquisition

Q2 yoy sales variances	Price	Volume	FX	Portfolio	Total
Advanced Intermediates	+5%	+1%	+1%	+7%	+14%
Specialty Additives	+1%	+4%	+1%	+101%	+107%
Performance Chemicals	+4%	-1%	+2%	+7%	+11%
Engineering Materials	+8%	+6%	+0%	+18%	+31%
ARLANXEO	+23%	-0%	+2%	+0%	+25%
LANXESS	+11%	+1%	+1%	+16%	+30%

- Sales increase reflects portfolio effect and successful raw material price pass-through
- Market demand remains healthy. Most BUs with positive volumes except for BU IPG (pricing), BU SGO (agro market) and BU TSR (maintenance turnaround)

Q2 yoy EBITDA pre bridge [€ m]



- Successful raw material price pass-through
- “Other” includes contribution by Chemtura and Chemours’ clean & disinfect businesses

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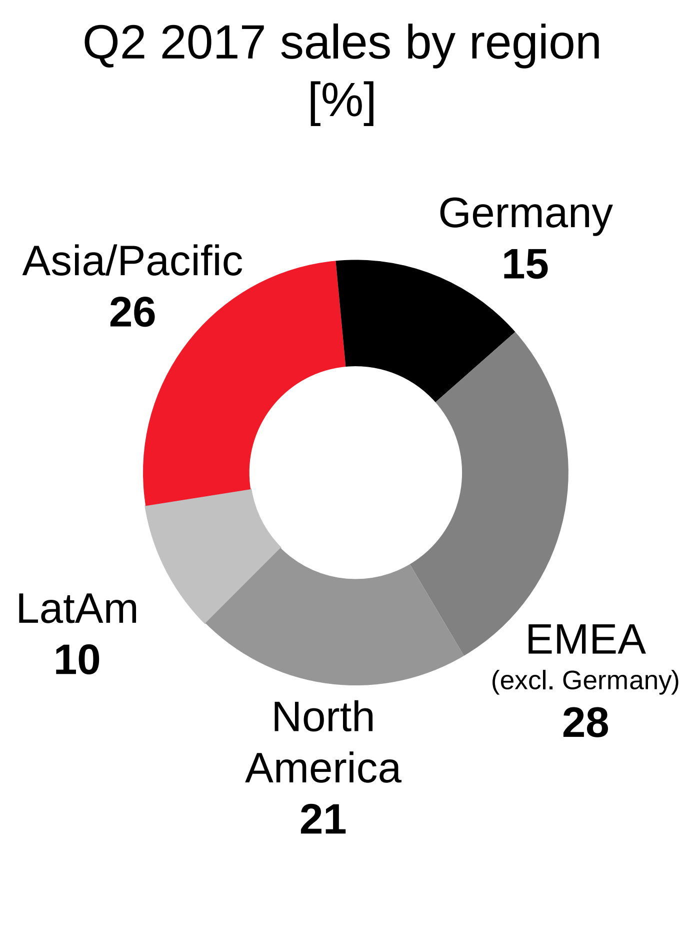
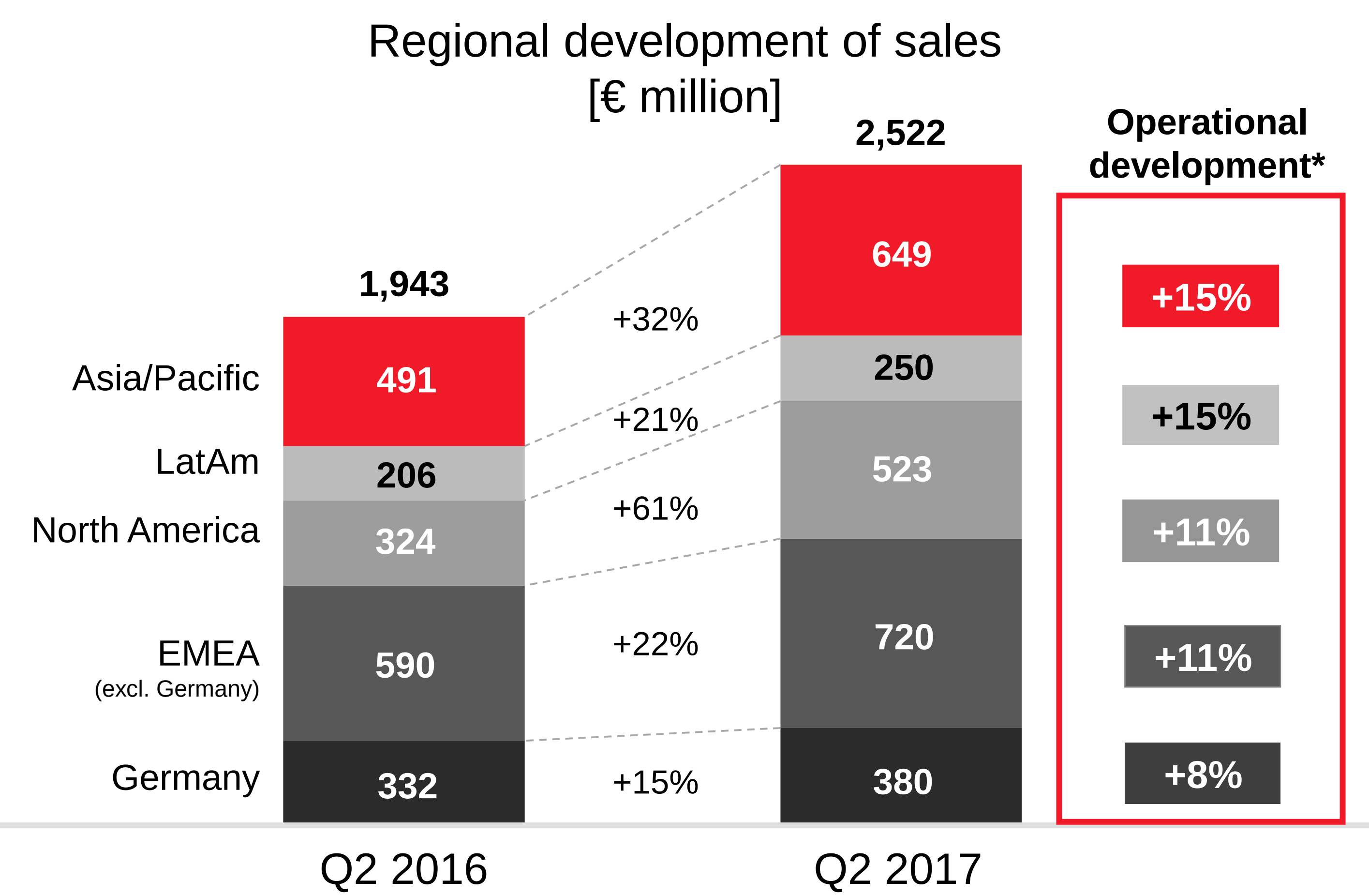
Q2 2017: Strong growth across all regions





* Currency and portfolio adjusted

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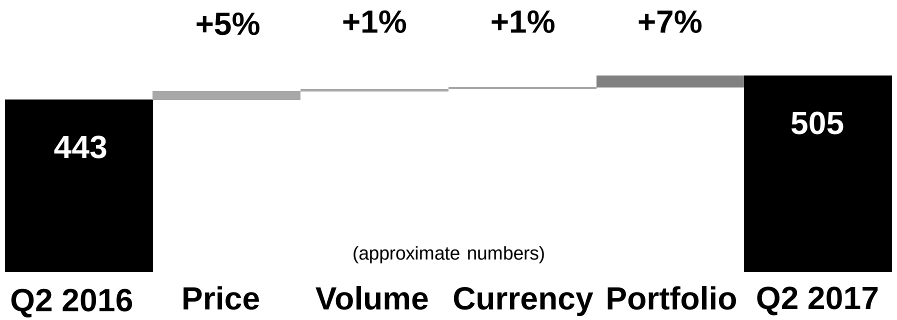
Advanced Intermediates: Catch-up in raw material cost pass-through drives earnings

[€ m]	Q2 2016	Q2 2017	Δ	H1 2016	H1 2017	Δ
Sales	**443**	**505**	**14%**	**906**	**1,023**	**13%**
EBIT	63	65	3%	127	130	2%
Depr./Amort.	25	29	16%	50	55	10%
EBITDA pre exceptionals	**88**	**97**	**10%**	**177**	**188**	**6%**
Margin	19.9%	19.2%		19.5%	18.4%	
Capex	22	33	50%	31	49	58%

Q2 sales bridge yoy [€ m]



Q2 yoy effects

- BU AII with strong raw material-driven price increase and Chemtura Organometallics business contribution
- Volume growth in BU AII held back by maintenance turnaround
- Weak agro chemical demand dampens BU SGO
- EBITDA benefits from catch up on raw material cost pass-through, partly mitigated by freight and energy costs

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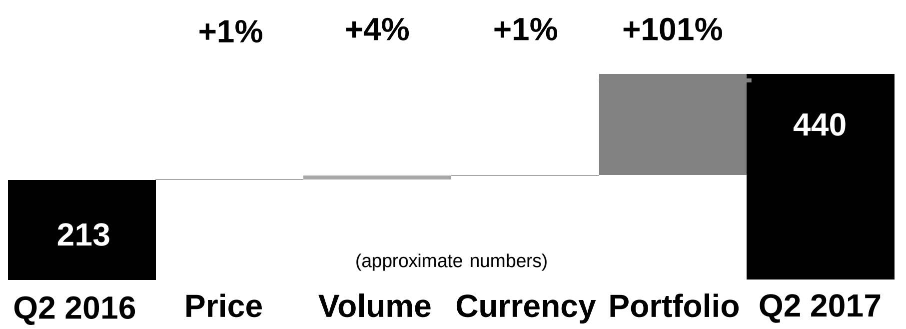
Specialty Additives: Results driven by portfolio effect

[€ m]	Q2 2016	Q2 2017	Δ	H1 2016	H1 2017	Δ
Sales	**213**	**440**	**>100%**	**434**	**679**	**56%**
EBIT	37	-8	<-100%	72	29	-60%
Depr./Amort.	8	32	>100%	15	39	>100%
EBITDA pre exceptionals	**45**	**75**	**67%**	**87**	**119**	**37%**
Margin	21.1%	17.0%		20.0%	17.5%	
Capex	8	16	100%	13	23	77%

Q2 sales bridge yoy [€ m]



Q2 yoy effects

- Major sales and earnings driver: Chemtura portfolio effect
- BU ADD with comparably stable price and volumes, BU RCH records strong volume growth
- EBITDA margin burdened by higher freight and energy costs, comparing to strong base

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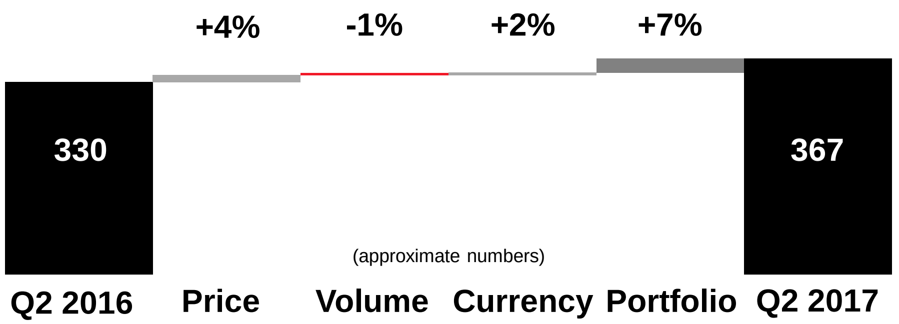
Performance Chemicals: Solid results

[€ m]	Q2 2016	Q2 2017	Δ	H1 2016	H1 2017	Δ
Sales	**330**	**367**	**11%**	**642**	**735**	**14%**
EBIT	54	-9	<-100%	95	31	-67%
Depr./Amort.	15	25	67%	30	44	47%
EBITDA pre exceptionals	**69**	**80**	**16%**	**125**	**139**	**11%**
Margin	20.9%	21.8%		19.5%	18.9%	
Capex	14	15	7%	25	26	4%

Q2 sales bridge yoy [€ m]



Q2 yoy effects

- Higher prices in nearly all BUs
- Volume increases in BU MPP while BU IPG recorded lower volumes with higher prices
- EBITDA increase also reflects contribution of Chemours' Clean & Disinfect business

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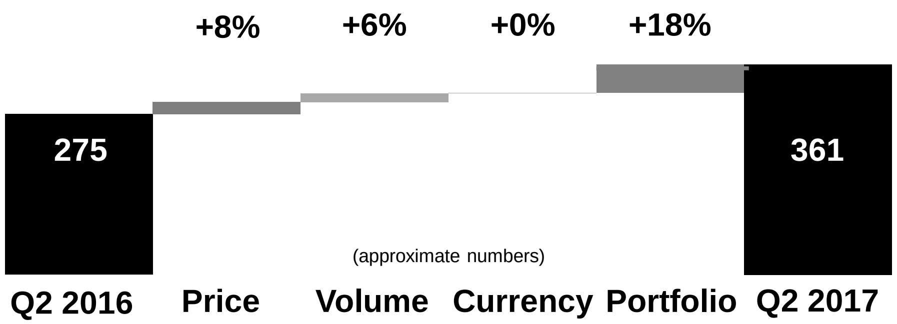
Engineering Materials: Strong volumes and better mix drive earnings

[€ m]	Q2 2016	Q2 2017	Δ	H1 2016	H1 2017	Δ
Sales	**275**	**361**	**31%**	**548**	**676**	**23%**
EBIT	34	45	32%	61	82	34%
Depr./Amort.	11	15	36%	22	26	18%
EBITDA pre exceptionals	**45**	**72**	**60%**	**83**	**120**	**45%**
Margin	16.4%	19.9%		15.1%	17.8%	
Capex	4	11	>100%	9	15	67%

Q2 sales bridge yoy [€ m]



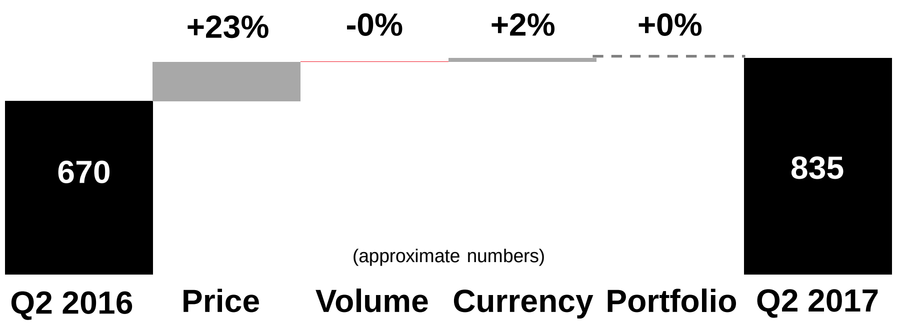
Q2 yoy effects

- Sales and EBITDA with portfolio effect from Chemtura Urethanes
- Strong demand across all regions drives volume growth in both BUs
- Prices up as higher raw material costs were passed on
- EBITDA improves on continued high capacity utilization, portfolio effect

ARLANXEO: Business continues to cope with challenging environment

[€ m]	Q2 2016	Q2 2017	Δ	H1 2016	H1 2017	Δ
Sales	**670**	**835**	**25%**	**1,310**	**1,783**	**36%**
EBIT	41	38	-7%	98	123	26%
Depr./Amort.	54	57	6%	110	114	4%
EBITDA pre exceptionals	**95**	**92**	**-3%**	**208**	**236**	**13%**
Margin	14.2%	11.0%		15.9%	13.2%	
Capex	24	28	17%	40	45	13%

Q2 sales bridge yoy [€ m]



Q2 yoy effects

- Substantial price effect by raw material cost pass-through
- Continued good underlying demand in both BUs after exceptionally strong Q1. Some lower volumes in BU TSR due to planned turnaround
- EBITDA burdened by low double digit €- million inventory write off (mainly butadiene)
- Successful raw material cost pass-through offset mainly by higher energy costs

Q2 2017: Cash flow reflects first consolidation of acquired businesses

[€ m]	Q2 2016	Q2 2017
Profit before tax	**147**	**61**
Depreciation & amortization	115	165
Financial (gain) losses	16	-22
Income taxes paid	-19	-28
Changes in other assets and liabilities	-72	-42
Operating cash flow before changes in WC	**187**	**134**
Changes in working capital	-7	22
Operating cash flow	**180**	**156**
Investing cash flow	**-981**	**289**
Thereof capex	-73	-105
Financing cash flow	**1,115**	**-69**

- Profit before tax declines due to substantial one-off restructuring and PPA (inventory step-up)
- Financial (gain) losses mainly contains reclassification of Currenta dividend to invest. CF
- Changes in other assets and liabilities includes provisioning for restructuring offset by variable compensation payout
- Working capital: PPA effect offsetting operational outflow

Operating CF below prior year due to transaction related cash-outs

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Main balance sheet KPIs mirror acquisition

[€ m]	Dec 2016	Jun 2017
Total assets	**9,877**	**10,912**
Equity (incl. Non-controlling interest)	3,728	3,579
Equity ratio	**38%**	**33%**
Net financial debt (after deduction of current financial assets)	**269**	**2,537**
Near cash, cash & cash equivalents	395	759
Pension provisions	**1,249**	**1,416**
ROCE[1]	**6.9%**	**8.8%**
Net working capital	**1,628**	**2,189**
DSI (in days)[2]	67	62
DSO (in days)[3]	51	50

- Total assets increase due to Chemtura consolidation
- Equity ratio remains solidly above 30%
- Net financial debt increases due to payment for Chemtura, assumed debt and dividend payment
- Higher net working capital after M&A and substantially higher raw material prices
- Pension provisions mainly reflect Chemtura acquisition

[1] Based on last twelve months for EBIT pre, 2017 calculated incl. Chemtura EBIT pre pro forma based on 2016 earnings
[2] Days sales of inventory calculated from quarterly sales
[3] Days of sales outstanding calculated from quarterly sales

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FY 2017 on track – EBITDA guidance confirmed

Macro economics

- Persisting macroeconomic, geopolitical risks
- Agro chemicals demand modestly weaker than expected; while all other industries remain stable
- Asia Pacific continues to be the most attractively growing region

FY 2017

- Business dynamics solid, while growth expectations for H2 are softer due to the high comparable base in H2 2016
- **FY EBITDA pre between €1,225 m – €1,300 m**

FY 2017 EBITDA pre guidance includes contribution from the Chemtura acquisition as of April 21, 2017.
Inventory effects from PPA are treated as exceptional items
At USD/EUR 1.10

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Agenda

- Expanding our strengths
- Q2 2017 and guidance – Performing in the new LANXESS structure
- **Backup**

Backup - Group

Housekeeping items

Additional financial expectations

- Capex 2017: ~€550-600 m (thereof ~€150 m ARLANXEO)
- Operational D&A 2017: ~€580-590 m (thereof ~€220 m ARLANXEO)
- Reconciliation 2017: ~-€190 m EBITDA pre incl. hedging
- Tax rate: Mid-term: 30-35% (for New LANXESS)

Please note:

- From Q2 2018 onwards, ARLANXEO will be shown as “discontinued operations”
- From Q2 2019 onwards, ARLANXEO will be accounted for “at equity”

At USD/EUR 1.10

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ARLANXEO deconsolidation will lead to a substantial reduction of currency risk

Substantially reduced FX sensitivity

- Chemtura consolidated since 21 April 2017
- ARLANXEO reported as disc. operations from 01 April 2018

1ct change in the USD/EUR rate impacts EBITDA by ~€7 m before hedging
(was ~€9 m before)

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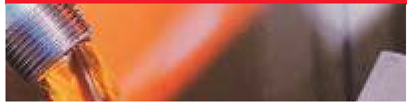
LANXESS has formed five strong segments

Reporting structure after Chemtura acquisition

Newly formed

Advanced Intermediates	Specialty Additives	Performance Chemicals	Engineering Materials	ARLANXEO
				
Advanced Industrial Intermediates	Additives		High Performance Materials	Tire & Specialty Rubbers
Organometallics	Petr. Additives & Great Lakes Solut.	Inorganic Pigments	Urethane Systems	High Performance Elastomers
Saltigo	Rhein Chemie	Leather Chemicals		
		Material Protection Products		
		Liquid Purification Technologies		

LANXESS Business Units

Former Chemtura Business Units

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Phase II: progressing faster – ~€20 m savings pulled forward from 2017 to 2016

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**

~€20 m

Thereof ~€20 m already realized in 2016

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

Bottom-up analysis confirm former synergy targets

Implementation of synergies on track

[€ m]	2017	2018	2019	2020	Total
Synergies	~25	~25	~35	~15	~100
Expense (one-time costs)*	~50	~50	~20	~20	~140
Cash out*	~30	~40	~40	~30	~140
Capex	~30	~10	~10		~50

Previous assumptions

- **Synergies confirmed**
  - €100 m of “hard” costs
  - Top line synergies not included
- ~€50 m capex for asset improvements
- ~€140 m one time costs
- ~€80 m transaction related cash outs, mostly in 2017

* excluding ~€80 m transaction related charges

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BU AII: Brownfield expansion of existing manufacturing platform with highly attractive returns

Sensible debottleneckings to serve market growth

[€ m]	2017	2018	2019	2020	2021
Capex	~25	~20	~35	~20	…
Aromatic Network 1					
Aromatic Network 2					
Benzyl Prod. & Inorganic Acids					
Antioxidants & Accelerators					
Polyols & Oxidation Products					

Total capex ~€100 m with Ø ROCE ~20%

Value investments

- Focus on brownfield investments
- Focus on continued technology upgrades and debottlenecking
- Further dilution of fixed costs
- Further improving excellent cost position

Support volume growth

Construction Ramp-up / production

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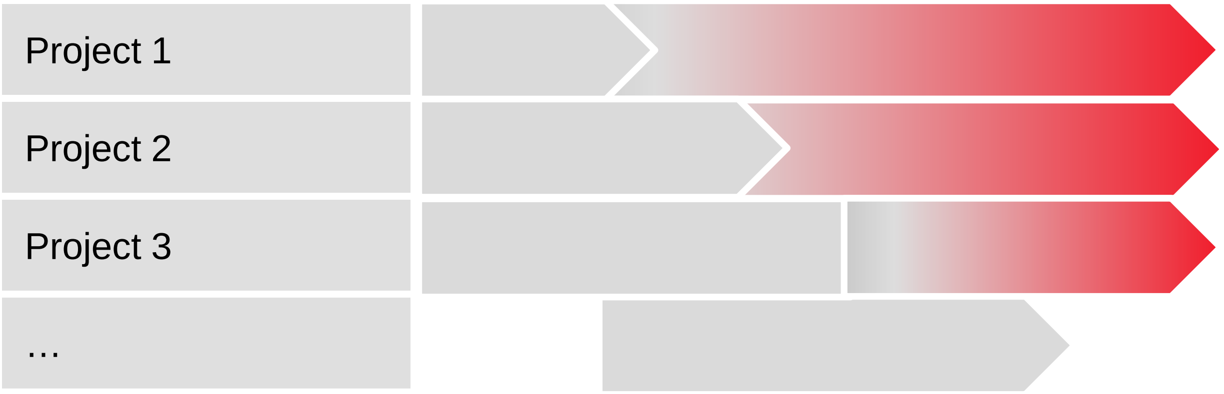
BU HPM: Low capex intensity of downstream investments will further support the “balanced capacity model”

Expanding global compounding network inline with demand

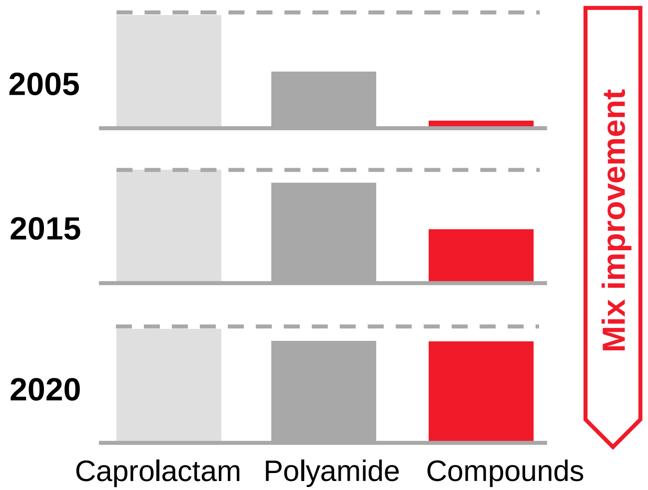
[€ m]	2017	2018	2019	2020	2021
Capex	~10	~25	~25	~5	…



Total capex €50 – 100 m with Ø ROCE ~20%

Value investments

Capacity split
Illustrative



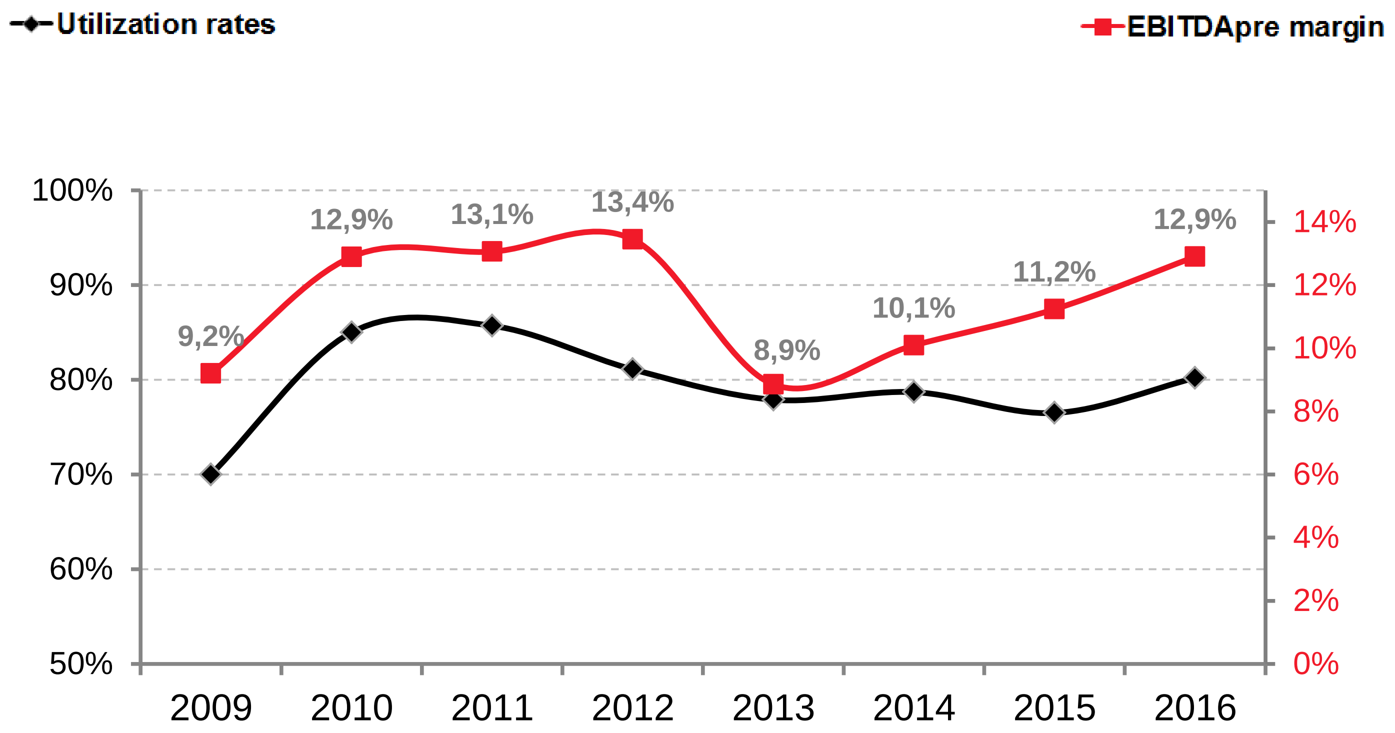
More stable and attractive returns

Construction Ramp-up / production

LANXESS

Actual utilization rates offer additional headroom

Increased profitability at stable utilization rates



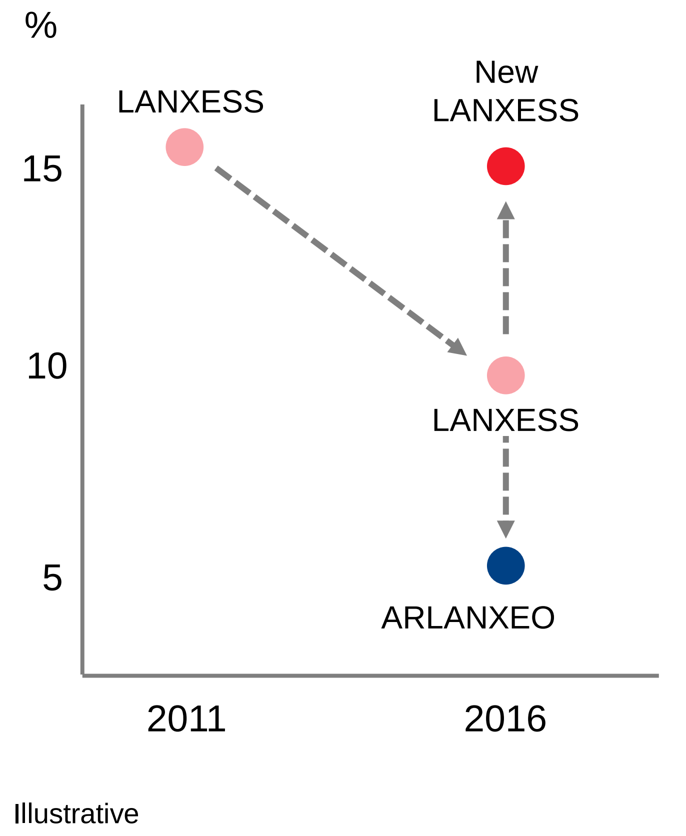
- Rising share of EBITDA pre from New LANXESS businesses fueled margin improvement
- No indication of peak utilization rates
- Capex of the past allows to serve expected volume growth
- Growth capex adds to margin improvement

Potential for further increase in utilization rates and upside in financial performance

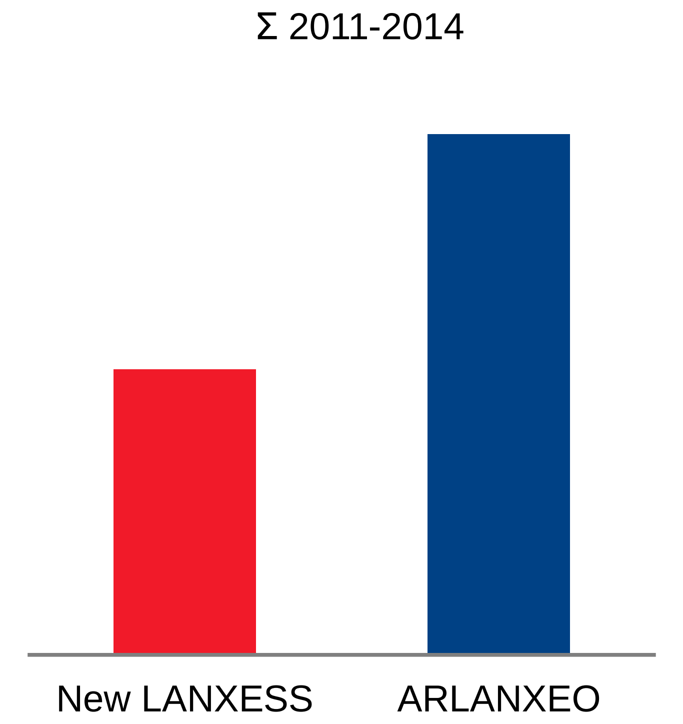
LANXESS

Growth capex in New LANXESS were value enhancing

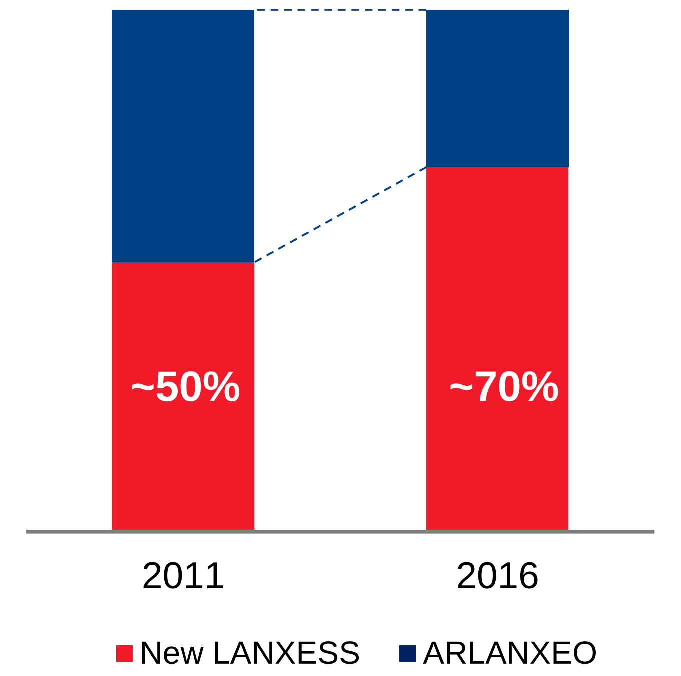
ROCE



Growth capex

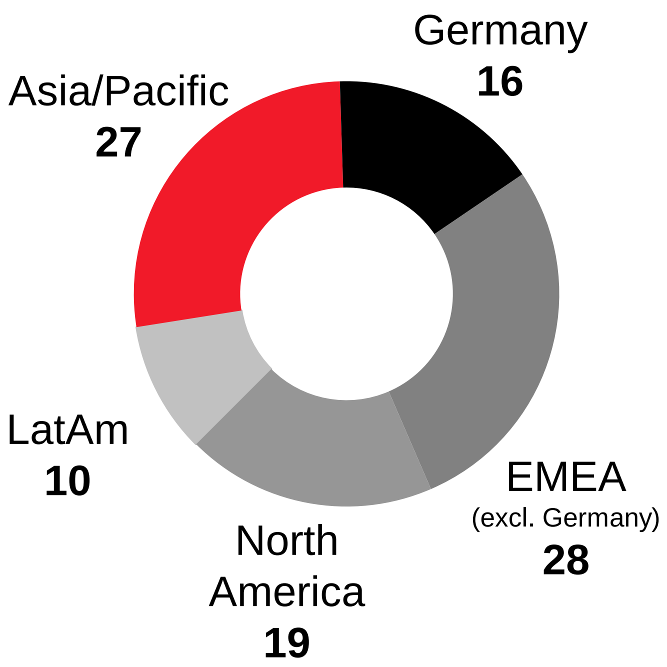


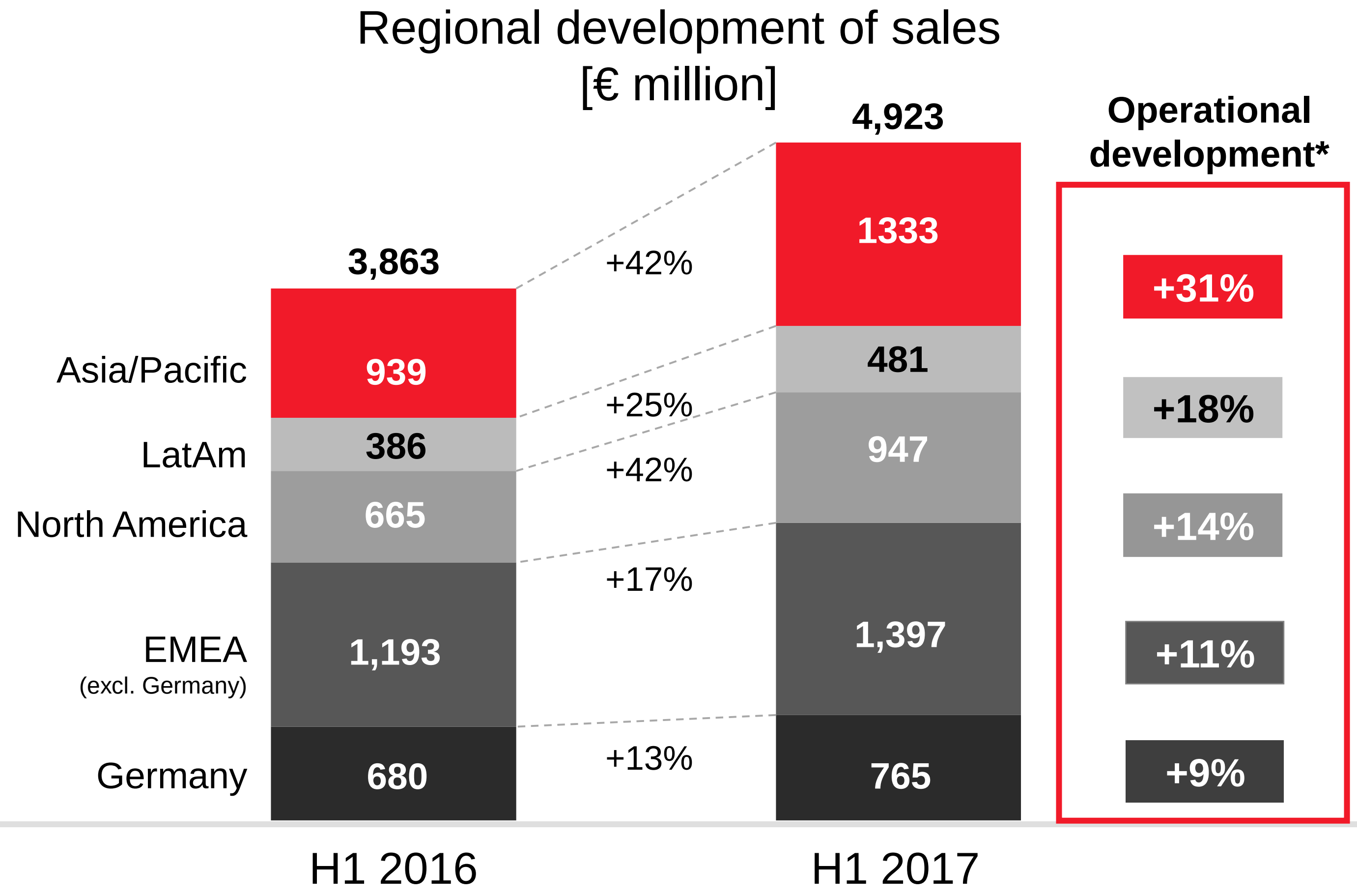
EBITDA pre*



* Sum of business units

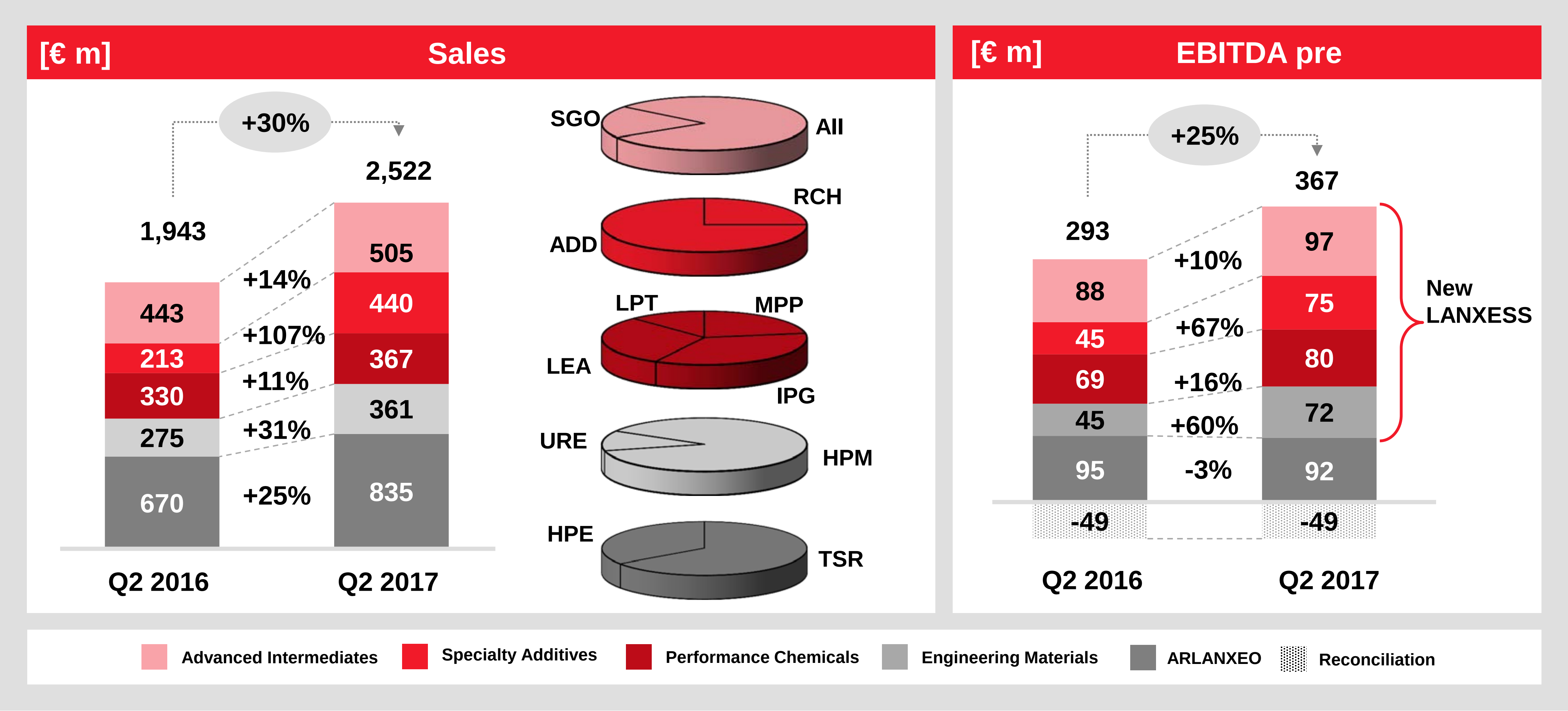
H1 2017: Substantial growth across all regions





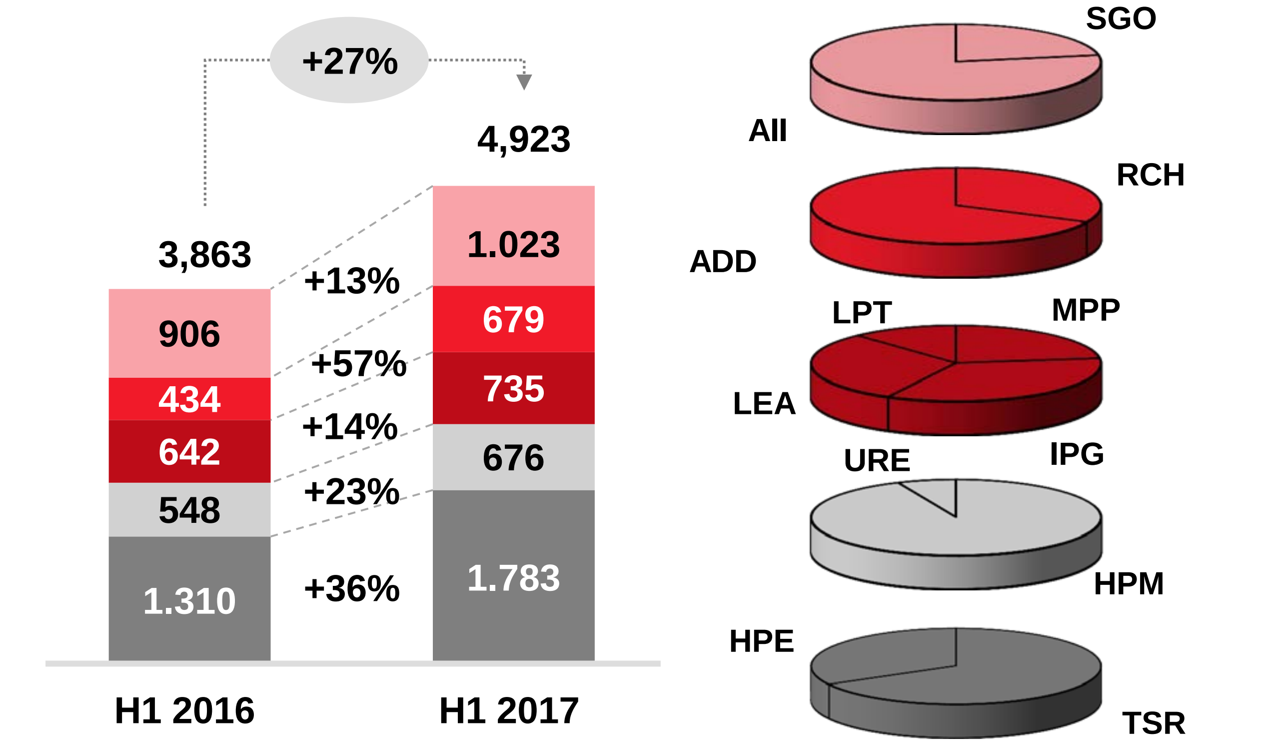
* Currency and portfolio adjusted

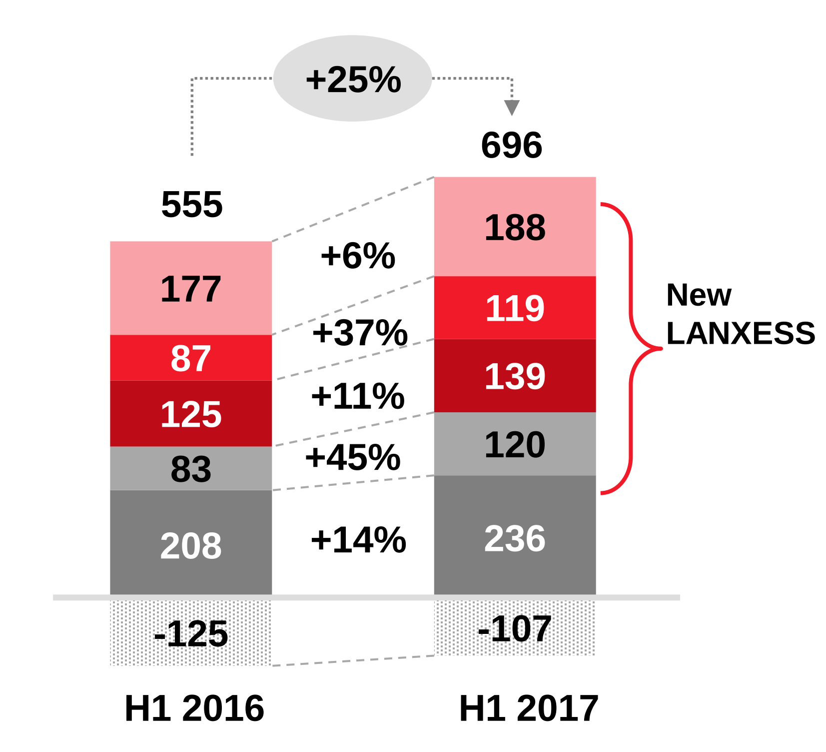
Q2 2017: Strong operational and M&A driven increase in sales and EBITDA



Total group sales including reconciliation

H1 2017: Strong increase in Sales and EBITDA driven by acquisition of Chemtura





Advanced Intermediates | Specialty Additives | Performance Chemicals | Engineering Materials | ARLANXEO | Reconciliation

Total group sales including reconciliation

Q2 2017: Visible positive effect from Chemtura acquisition

[€ m]	Q2 2016		Q2 2017		yoy in %
Sales	1,943	(100%)	2,522	(100%)	30%
Cost of sales	-1,466	(-75%)	-1,956	(-78%)	-33%
Selling	-191	(-10%)	-238	(-9%)	-25%
G&A	-73	(-4%)	-95	(-4%)	-30%
R&D	-32	(-2%)	-38	(-2%)	-19%
EBIT	**176**	**(9%)**	**62**	**(2%)**	**-65%**
Non-controlling interests	8	(0%)	11	(0%)	38%
Net Income	**75**	**(4%)**	**3**	**(0%)**	**-96%**
EPS pre*	**0.88**		**1.54**		**75%**
EBITDA	291	(15%)	227	(9%)	-22%
thereof exceptionals	-2	(0%)	-140	(-6%)	>100%
EBITDA pre exceptionals	**293**	**(15%)**	**367**	**(15%)**	**25%**

- Chemtura is major driver of deviations in all line items
- Sales increase on higher prices (raw material price pass-through) and portfolio
- Cost of sales also reflect higher raw material and energy costs
- Strong operational performance visible in EBITDA and EPS pre
- EBIT and Net Income affected by restructuring expenses and Chemtura related one offs (esp. PPA effect)

Substantial increase in EPS pre

* net of exceptionals and amortization of intangible assets as well as attributable tax effects

LANXESS

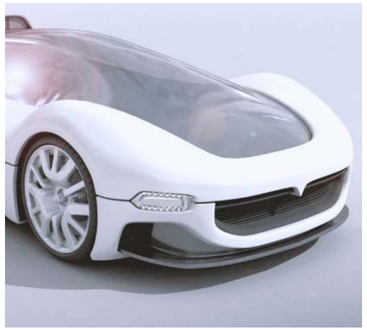
Balance sheet remains solid

[€ m]	Dec 2016	Jun 2017		Dec 2016	Jun 2017
Non-current assets	**4,519**	**6,558**	**Stockholders' equity**	**3.728**	**3.579**
Intangible assets	494	1,813	attrib. to non-contr. interests	1.176	1.161
Property, plant & equipment	3,519	4,100	**Non-current liabilities**	**4,516**	**5,020**
Equity investments	0	0	Pension & post empl. provis.	1,249	1,416
Other investments	12	13	Other provisions	319	517
Other financial assets	19	20	Other financial liabilities	2,734	2,734
Deferred taxes	442	439	Tax liabilities	31	107
Other non-current assets	33	173	Other liabilities	93	116
			Deferred taxes	83	125
Current assets	**5,358**	**4,354**			
Inventories	1,429	1,733	**Current liabilities**	**1,633**	**2,313**
Trade account receivables	1,088	1,389	Other provisions	406	474
Other current financial assets	2,130	4	Other financial liabilities	78	592
Other current assets	316	469	Trade accounts payable	889	933
Near cash assets	40	0	Tax liabilities	44	73
Cash and cash equivalents	355	759	Other liabilities	216	241
Total assets	**9,877**	**10,912**	**Total equity & liabilities**	**9,877**	**10,912**

- Change in “Other current financial assets” reflects the acquisition of Chemtura

LANXESS

New LANXESS with strong ROCE

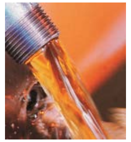
FY 2016	New LANXESS			ARLANXEO	Group
	 Advanced Intermediates	 Performance Chemicals			
EBITDA pre* *margin*	€326 m *19%*	€374 m *17%*	€159m *15%*	€373 m *14%*	€995 m *13%*
ROCE	~15%			~5%	9.6%**

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
** Adjusted for current financial assets

Further potential for portfolio optimization

Advanced Intermediates
- Advanced Industrial Intermediates (Sales: > €500 m)
- Saltigo (Sales: €200 m – 500 m)



Specialty Additives*
- Additives (Sales: > €500 m) ✓
- Rhein Chemie (Sales: €200 m – 500 m) ✓

Engineering Materials
- High Performance Materials (Sales: > €500 m)
- Urethane Systems* (Sales: €200 m – 500 m)

Performance Chemicals
- Inorganic Pigments (Sales: €200 m – 500 m)
- Leather (Sales: €200 m – 500 m)
- Material Protection Products (Sales: €200 m – 500 m) ✓
- Liquid Purification Technologies (Sales: < €200 m)

ARLANXEO

ARLANXEO**
- Tire & Specialty Rubbers (Sales: > €500 m)
- High Performance Elastomers (Sales: > €500 m)

- First steps of portfolio optimization have been initiated in parts of LANXESS' portfolio
- Strategic directive for further portfolio optimization is already set

Ongoing implementation

* Reporting segment after acquisition of Chemtura
** ARLANXEO fully consolidated by LANXESS for the first three years (as of April 1, 2016)

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

LANXESS

Corporate Responsibility well integrated - achieving goals sustainably

Climate / Environmental goals

- Reduction of specific CO2 emission by 25%[1] until 2025
- Reduction of specific energy consumptions by 25%[1] until 2025
- Reduction of volatile organic compounds (NMVOC[3]) emissions by 25%[1] until 2025

Procurement initiatives

- 'Supplier Code of Conduct' for supplier selection and rating
- 'Together for Sustainability' initiative[2] 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

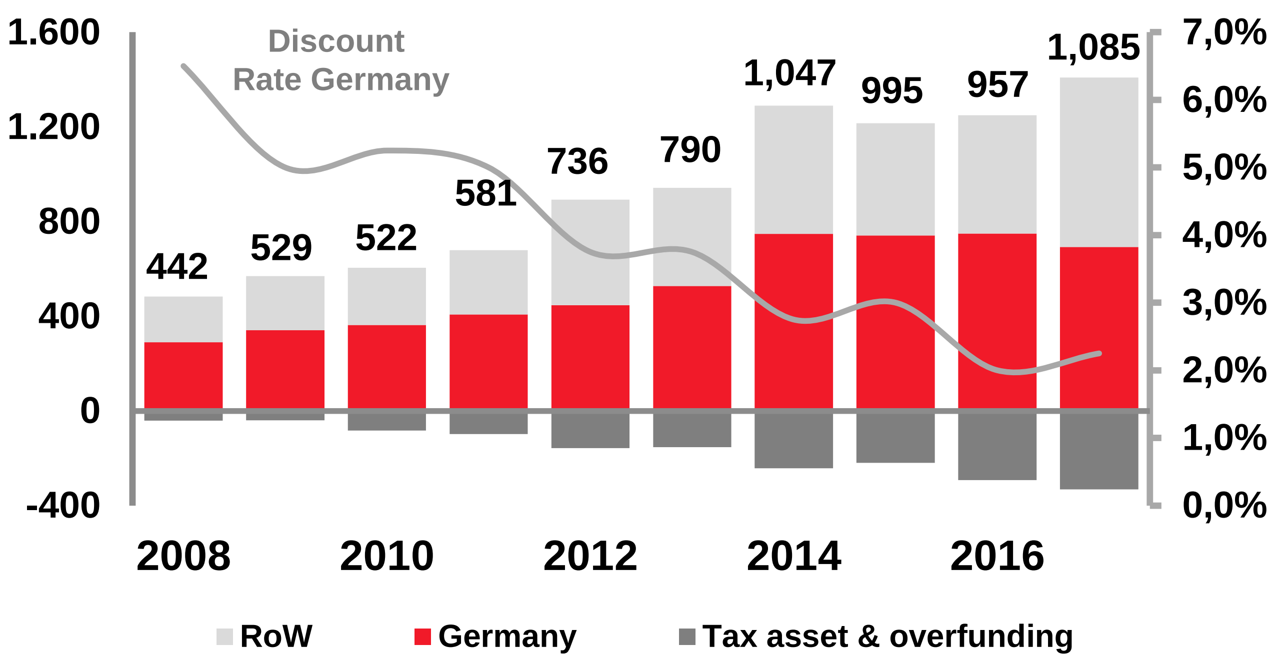
- Global board initiative 'Diversity & Inclusion': raising the proportion of women in management to 20% by 2020
- Leverage water know-how: support of AMREF2[4]
- Education initiatives with local and global commitment

Rating Category: C+

[1] Base year: 2015; for CO_2: Scope 1 and Scope 2 emissions
[2] Members: BASF, Bayer, Evonik, Henkel, LANXESS, Akzo Nobel, Solvay
[3] Non methane volatile organic compounds; [4] African Medical and Research Foundation

A word on pensions: Mind the assets

Pension provision less deferred tax asset [€m]



At 4% discount rate gross pension provision declines to €1.0bn

Pension Provision €1,416 m + **applicable tax rate**

Tax asset of €272 m and plan asset of €60 m*

~€3.60 / share

Pension provision net of tax and plan assets €1,085 m

*as per 30 June 2017

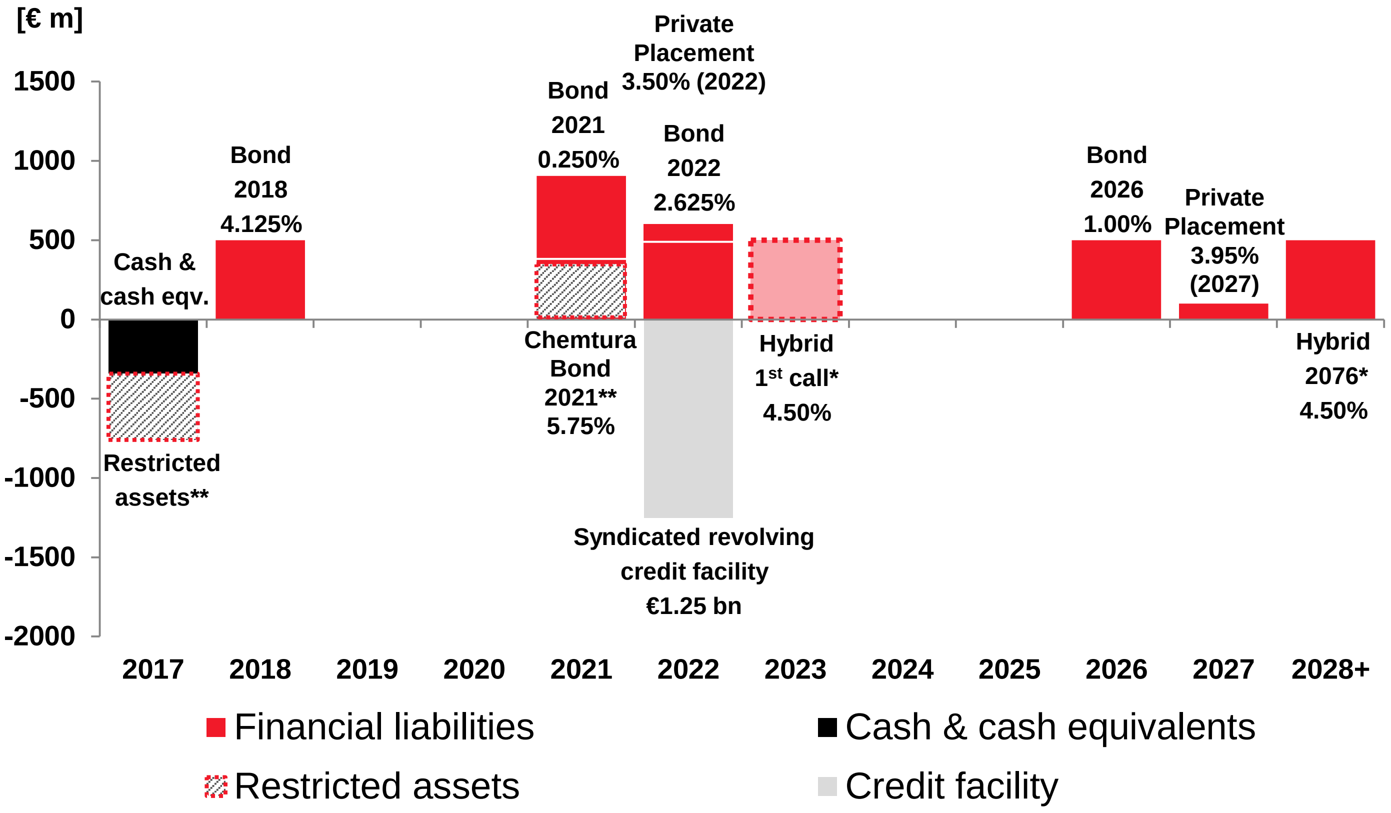
LANXESS

Maturity profile actively managed and well balanced

Long-term financing secured

- Liquidity position normalized with closing of Chemtura acquisition on 21th April 2017
- Diversified financing sources
  - Bonds & private placements
  - Syndicated credit facility
- Chemtura Bond early redeemed on 15th July 2017
- Average interest rate of financial liabilities <3%
- All group financing executed without financial covenants

Liquidity and maturity profile as per June 2017



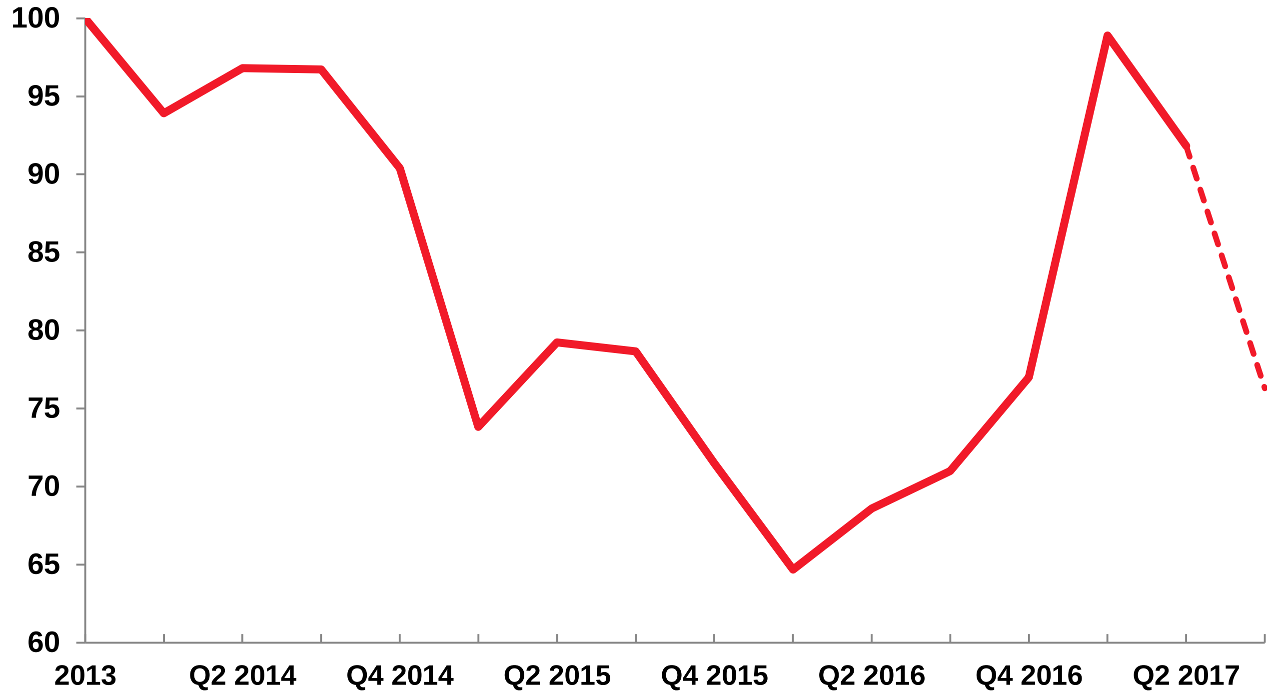
* Hybrid bond with contractual maturity date in 2076 has a first optional call date in 2023

** Restricted assets held for early redemption of Chemtura Bond on 15th July 2017

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 drop in the price of oil
- 2015: Volatile raw material prices trended downwards through year end
- 2016 with an upward trend that accelerated during Q4
- 2017 started with a spike in raw material prices which we expect to largely reverse in H2 2017

LANXESS excluding Chemtura businesses, average 2013 = 100%,

LANXESS

Overview exceptional items H1 2017

[€ m]	Q2 2016		Q2 2017		H1 2016		H1 2017	
	Excep.	Thereof D&A	Excep.	Thereof D&A	Excep.	Thereof D&A	Excep.	Thereof D&A
Advanced Intermediates	0	0	3	0	0	0	3	0
Specialty Additives	0	0	57	6	0	0	57	6
Performance Chemicals	0	0	70	6	0	0	70	6
Engineering Materials	0	0	13	1	0	0	13	1
ARLANXEO	0	0	-3	0	0	0	-1	0
Reconciliation	2	0	13	0	13	0	23	0
Total	**2**	**0**	**153**	**13**	**13**	**0**	**165**	**13**

Abbreviations

Advanced Intermediates

- AII Advanced Industrial Intermediates
- SGO Saltigo

Performance Chemicals

- IPG Inorganic Pigments
- LEA Leather
- MPP Material Protection Products
- LPT Liquid Purification Technologies

Specialty Additives

- ADD Additives*
- RCH Rhein Chemie

Engineering Materials

- HPM High Performance Materials
- URE Urethane Systems

ARLANXEO*

- TSR Tire & Specialty Rubbers
- HPE High Performance Elastomers

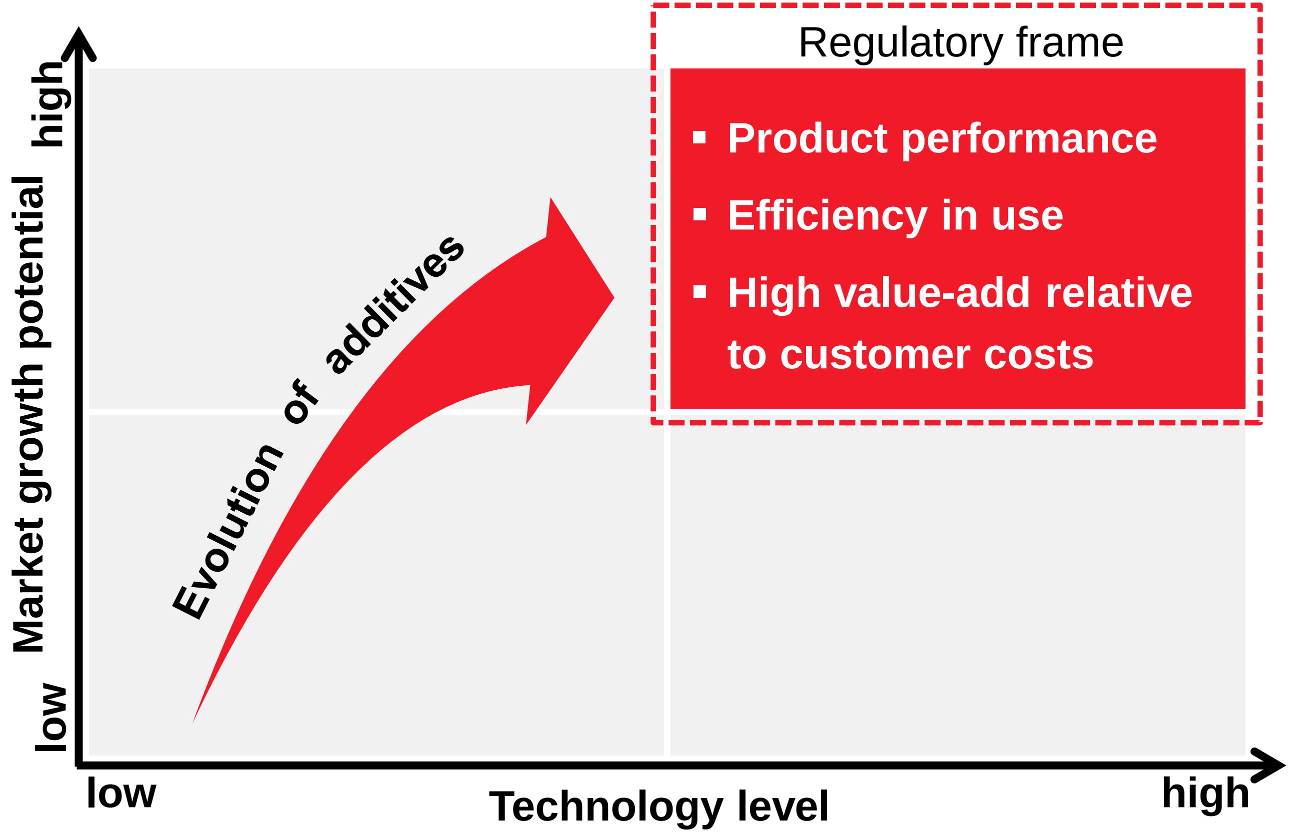
* ARLANXEO to be fully consolidated for the first three years (as of April 1, 2016)

LANXESS

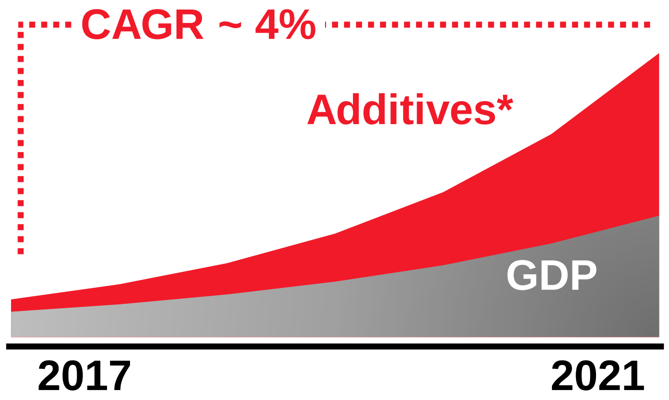
Backup – Specialty Additives / Chemtura

Specialty Additives benefits from attractive growth dynamics driven by customer needs

Customers require more specialized and efficient solutions



Solid growth perspective



- Megatrends Urbanization and Mobility
- Increasing demand for plastics and polymers
- Solid growth in core markets

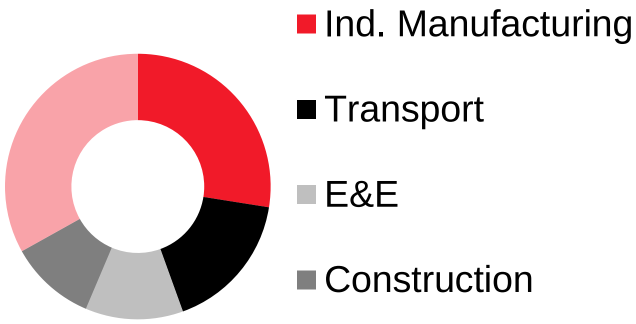
* LANXESS Segment Specialty Additives core applications (E&E, Transportation, Construction, General Industries) / Source: World Industry Service & LANXESS Research

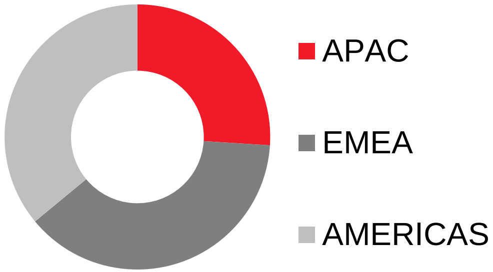
LANXESS

Segment Specialty Additives: A leading player based on a unique business set-up

Resilient by nature

Sales FY 2016 pro forma





Strongly positioned

- Comprehensive product portfolio and global network
- Fully fledged asset platform with high technical standard
- Strong value chain integration
- Market dynamics and synergies leverage stable growth

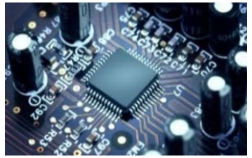
LANXESS

BU Additives leading market player with strong backward integration

Among the top global players

Market shares*:

Brominated flame retardants:
 # 1/2 in in Europe
 # 2 globally



Phosphorous flame retardants:
 # 2 in Europe
 # 3/4 globally

Strong value chains

Illustrative

Fully integrated bromine value chain:

Unique lubricants value chain:

Stronghold characteristics

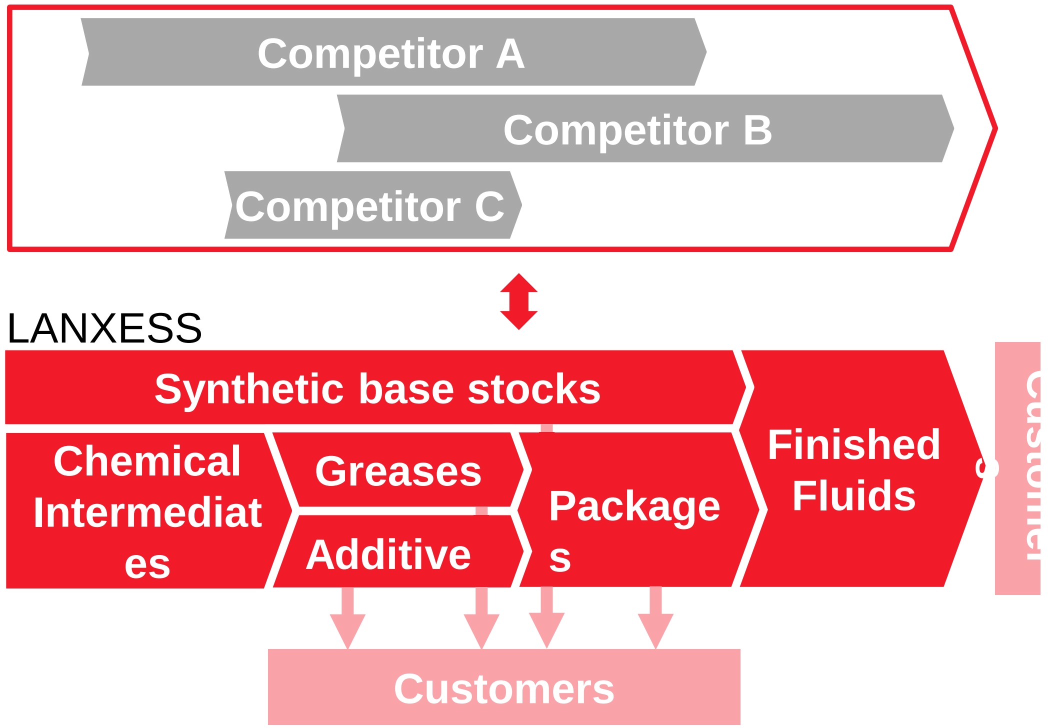
- Leading market positions
- Global sales and distribution network
- Multiple strong value chains
- Solution provider driving innovations

* Source: European Commission, IHS Specialty Chemicals Update Program – Flame Retardants 2014

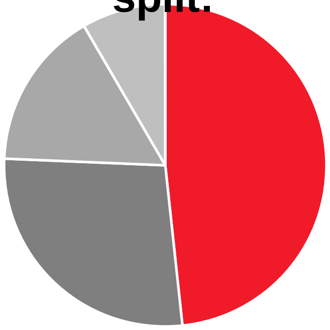
Lubricant Additives benefits from fully integrated value chain

Most attractive value chain for customers

Illustrative



Lubricant Additives sales split:



- Additives
- Base stocks
- Intermediates
- Others

Synergies leverage growth

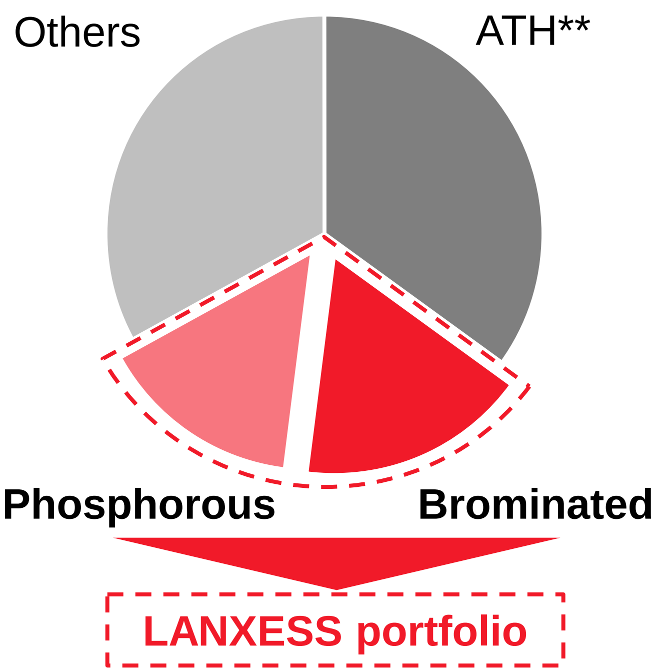
- Unique integrated value chain offers attractive cross selling opportunities
- Broad product portfolio with high technical expertise
- Growth above GDP driven by advancing technical applications

LANXESS

Flame retardants with complementary and most attractive business set-up

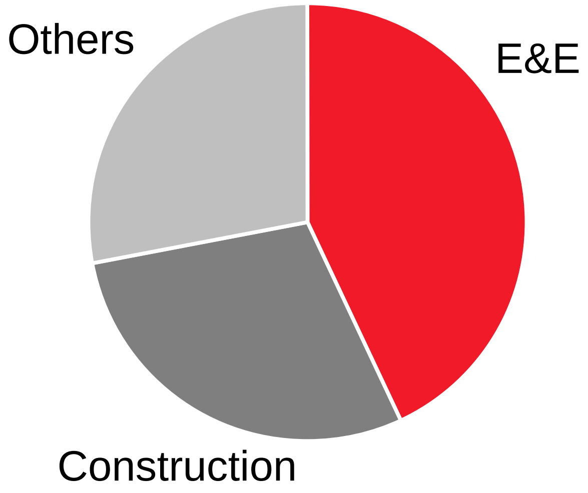
Clear strategic focus

Global consumption of flame retardants by type*



Emphasis on growth markets

LANXESS‘ end markets for phosphorous and brominated flame retardants



Sales FY 2016 pro forma

Promising growth drivers

- Highest potential for product specialization and differentiation
- Rising demand for PU, TPU, PS and PVC*** within end markets
- Increasing CO_2 efficiency requirements
- Tightened regulatory and safety standards

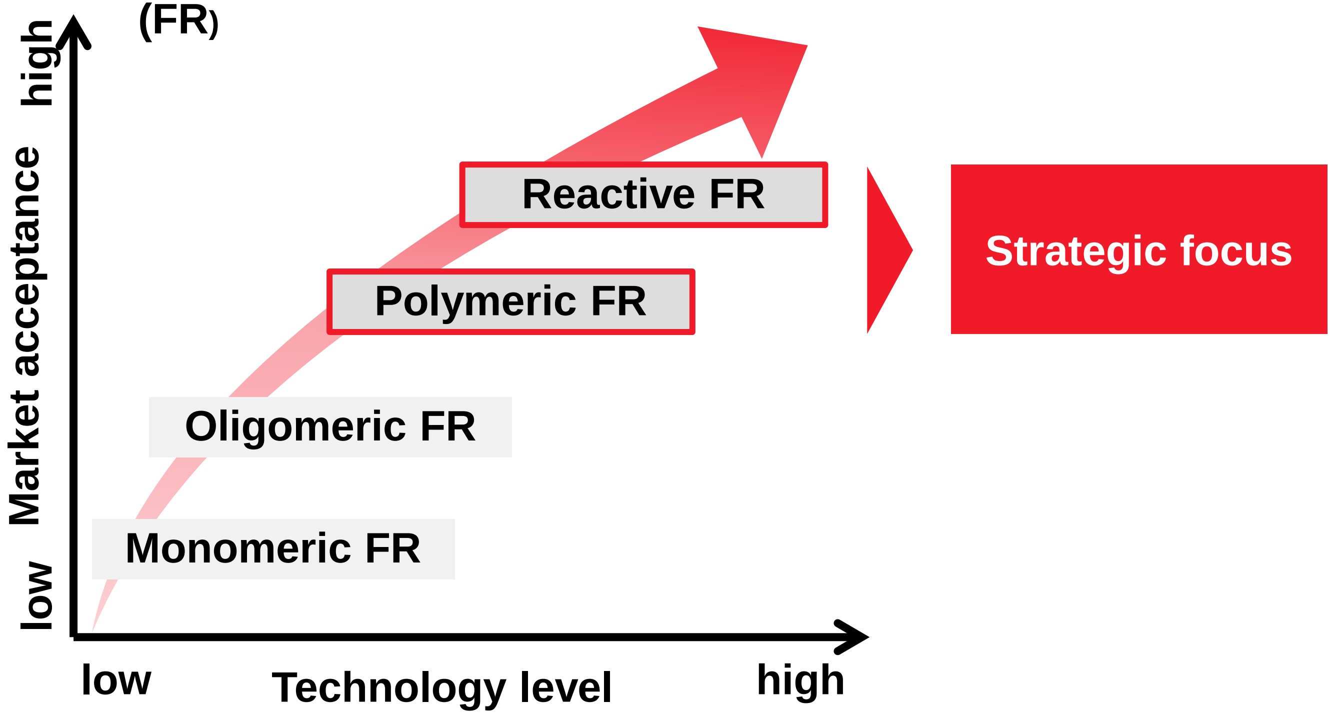
* Source: IHS Specialty Chemicals Update Program – Flame Retardants 2014, SCI Study Flame Retardants China 2016, LANXESS Research

** ATH = Aluminium-tri-hydrochloride; *** Polyurethane, thermoplastic polyurethanes, polystyrene and polyvinyl chloride

Flame retardants benefit from trend towards more sophisticated solutions for fire protection

LANXESS drives innovation & technology

Evolution of flame retardants (FR)



Striking characteristics

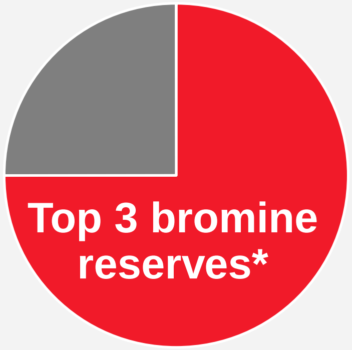
- Broad and advanced product portfolio based on high technical expertise
- The only bromine player with strategic focus on bromine solutions
- Strategic focus on product development to meet market expectations

LANXESS

Bromine Excursus: An integrated leading bromine player with a strong and diverse bromine portfolio

Strong backward integration

Bromine reserves | Elemental bromine | **Bromine derivatives**



Bromine

Brine fluids

Elemental bromine production

Merchant sales

- **Flame retardants**
- **Clear brines**
- **Fumigants**
- **Others**

LANXESS bromine production is located in El Dorado, Arkansas, USA

Among top three players

- Natural oligopolistic market structure with 75% dominated by three players
- Cost competitive bromine extraction
- Leading transportation fleet for elemental bromine
- Bromine reserves last more than 75 years

* ICL, Albemarle and LANXESS

LANXESS

BU Additives will leverage its position as global additives player

Integrate

- Business integration and implementation of synergies
- Leverage improved regional footprint using enlarged sales and distribution network

Enhance

- Realize cross-selling opportunities and increase competitiveness
- Extend business focus on Asia Pacific

Develop

- Strategic focus on product development
- Specialize and innovate our product portfolio

LANXESS

Chemtura impact: Financial indications

Chemtura 2016 – US GAAP based

Sales:	$1,654 m	[~€1,504 m]
EBITDA adj.*	$282 m	[~€256 m]
Capex 2016:	$88 m	[~€80 m]
D&A 2016:	$85 m	[~€77 m]
Net financial debt	$256 m	[~€233 m]

2017

- EBITDA contribution for 2/3 of the year
- Detailed financial information for 2017 to follow with Q2 2017 reporting

→ Detailed bottom-up analysis has started

First indicative considerations after closing

- Inventory step-up: ~-€60 m, mainly in Q2 2017 (treated as exceptional)
- Additional impact on D&A due to purchase price allocation:
  - 2017: ~€40 m
  - 2018ff p.a.: ~€60 m

All Euro figures translated at USD/EUR 1.10

* Excluding Chemtura's agro business

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 April 2017

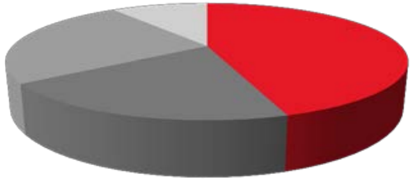
Sales and EBITDA are based on Q2 2016 LTM, USD/EUR 1.10

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

the future through chemistry

A global, specialty chemical company*

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

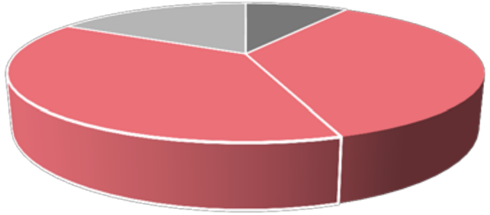


North America | Europe | Asia | Latin America

Well established in lubricant additives and flame retardants

Sales split

Lubricant additives



Flame retardants

Key customer bases growing**

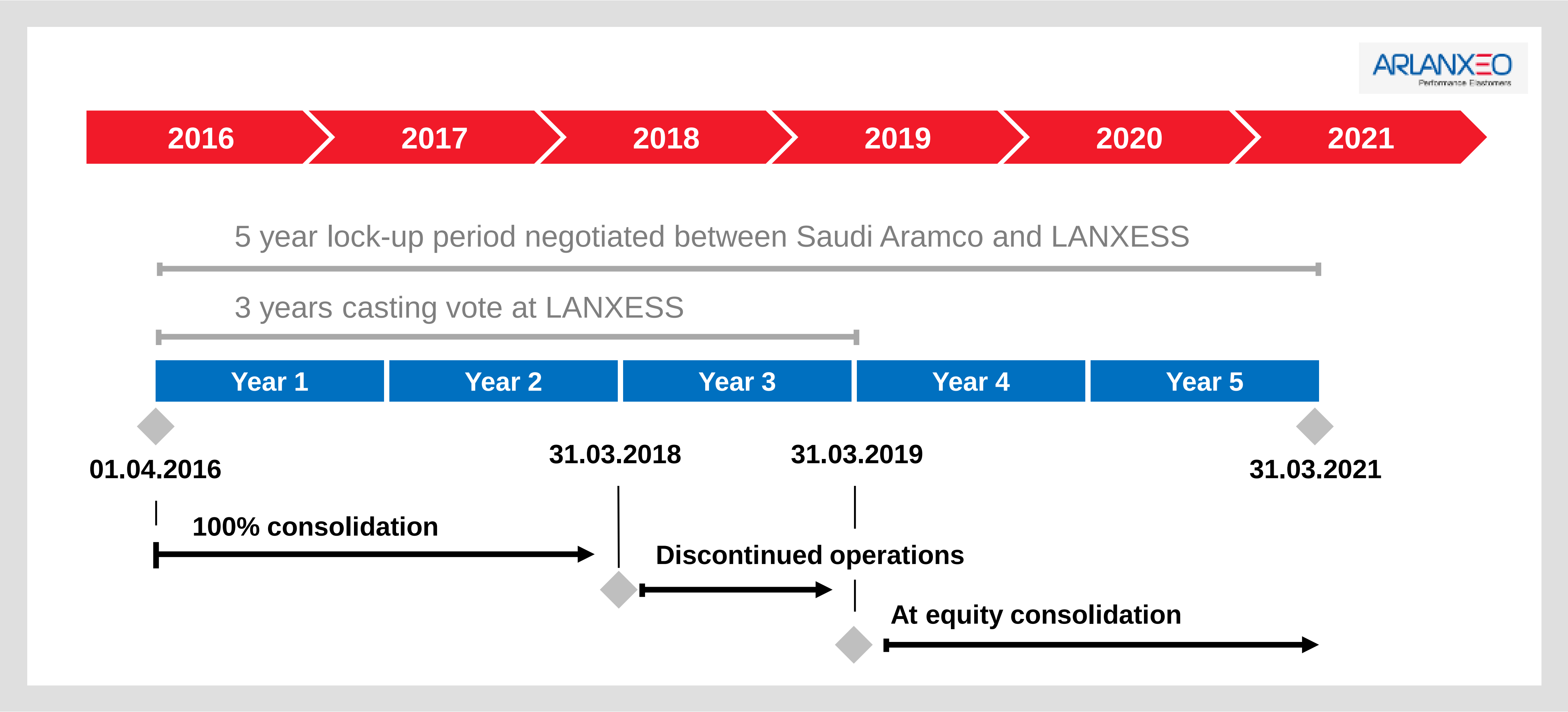
Building & construction	Electrical & Electronics	Energy	Transportation
			
~3.0%	~5.5%	~2.0%	~3.5%

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)

LANXESS

Backup - ARLANXEO

Reporting treatment of ARLANXEO with significant impact on LANXESS' financial shape



ARLANXEO effects on LANXESS' income statement, P&L and cash flow

Discontinued operations from Q2 2018

P&L:
- P&L down to after tax income will stop reflecting ARLANXEO
- 100% of ARLANXEO net income* will be shown as "income from discontinued operations"
- 50% of ARLANXEO net income is then attributable to "non-controlling interest"

Balance sheet:
- ARLANXEO assets will be bundled in one position "assets -" and "liabilities from discontinued operations"

Cash Flow:
- Operating / investing / financing cash flow will each be split in "continuing" and "discontinued" portion either in the statement or in the notes

At equity consolidation from Q2 2019

P&L:
- LANXESS will account for its 50% ARLANXEO stake at equity

Balance sheet:
- ARLANXEO's assets & liabilities and Aramco's equity share leave LANXESS' balance sheet
- 50% of ARLANXEO stake will be reflected in "investments accounted for using the equity method"

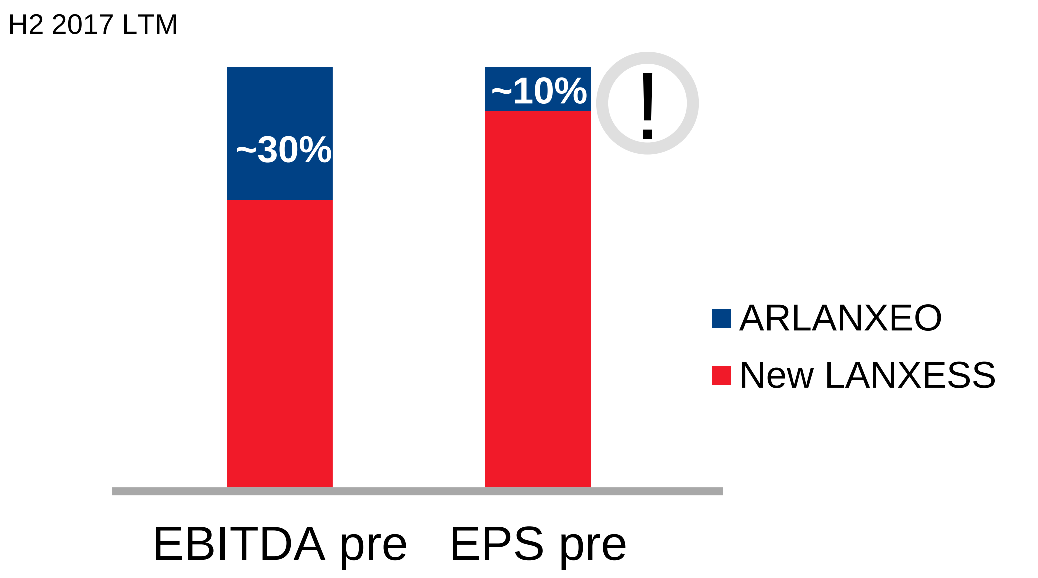
Cash Flow:
- In case dividends are paid from ARLANXEO to both parents, this will be shown in investing cash flow

! * IFRS 5: Non-current assets shall not be depreciated/amortized when shown as discontinued operations

LANXESS

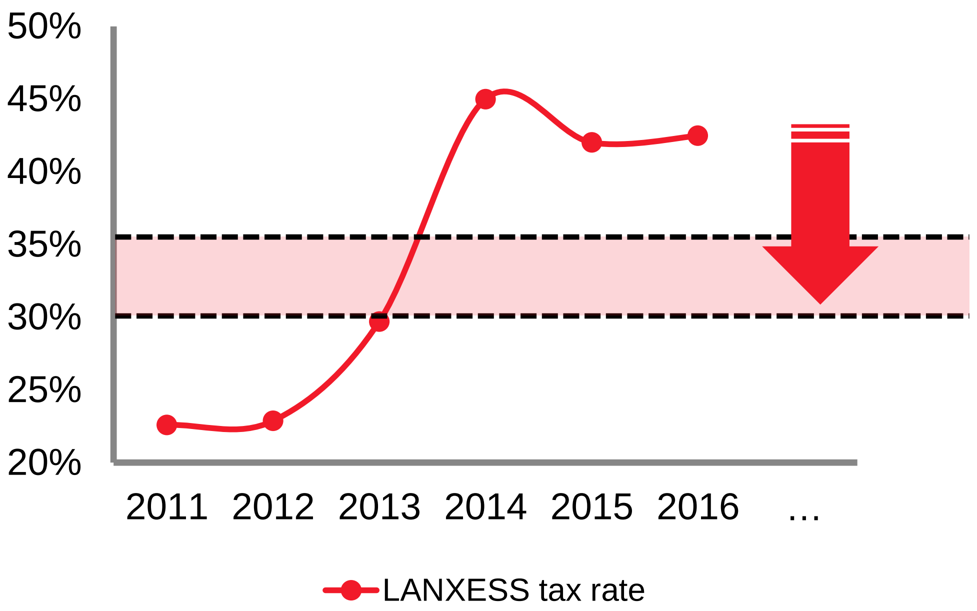
ARLANXEO with marginal contribution to EPS – New LANXESS tax rate reduced after deconsolidation

Minor ARLANXEO contribution to EPS



High ARLANXEO D&A after heavy investment cycle

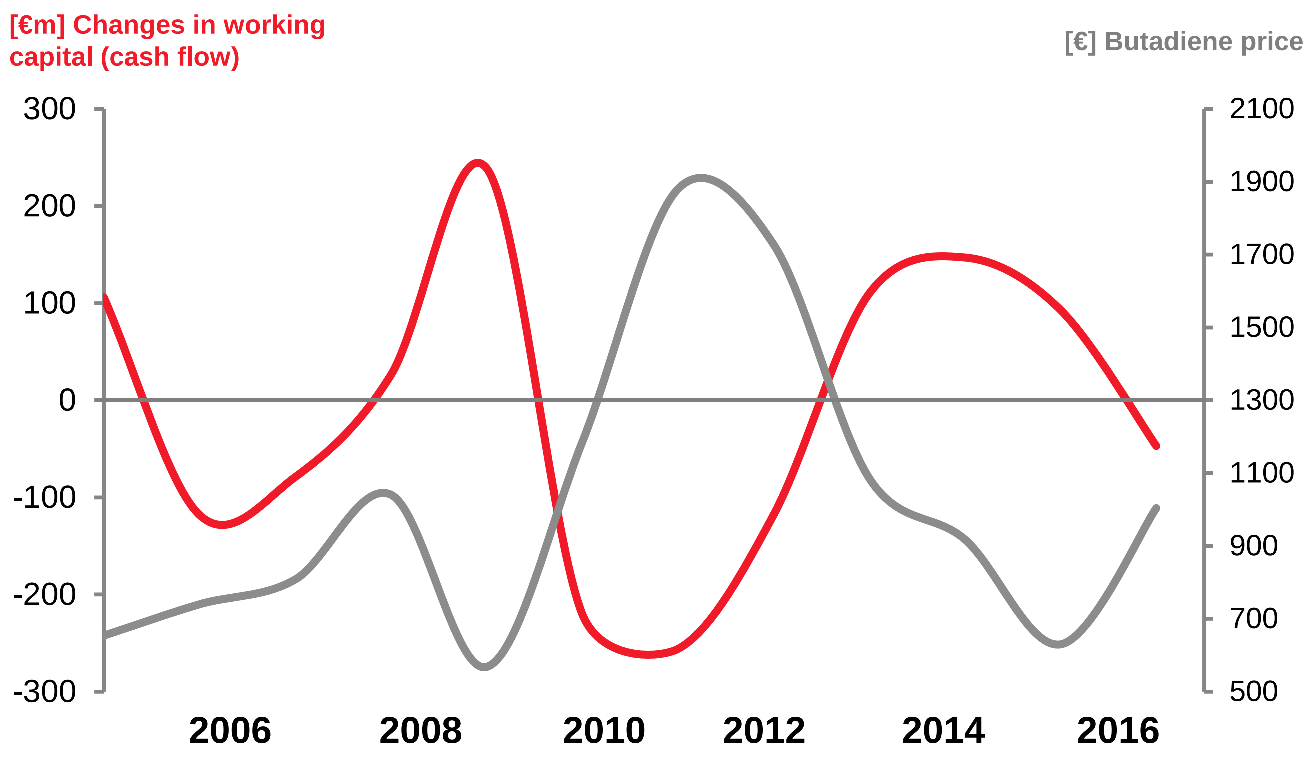
Tax rate of New LANXESS will be at 30-35%



High ARLANXEO tax rate due to unfavorable regional distribution of earnings

Volatility of working capital will be significantly reduced after deconsolidation of ARLANXEO

ARLANXEO significantly impacted free cash flow in the past



- Butadiene, one of the main raw materials for ARLANXEO, with strong volatility
- Butadiene volatility main driver for working capital changes in the past

Volatility of working capital will be significantly reduced

LANXESS

Upcoming events 2017/2018

Proactive capital market communication

▪ SdK Börsentag Hannover	September 13	Hanover
▪ 6th Annual Goldman Sachs & Berenberg German Corp. Conference	September 18/19	Munich
▪ Baader Investment Conference 2017	September 18/19	Munich
▪ **Q3 2017 results**	**November 15**	
▪ Deutsches Eigenkapitalforum 2017	November 28	Frankfurt
▪ Berenberg European Corporate Conference	December 4	Pennyhill
▪ **FY 2017 results**	**March 15**	
▪ **Q1 2018 results**	**May 9**	
▪ **Annual General Meeting 2018**	**May 15**	**Cologne**
▪ **Q2 2018 results**	**August 1**	
▪ **Q3 2018 results**	**November 8**	

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