Q1 2017 Roadshow

Despite challenges, 2017 should be the strongest year ever

Michael Pontzen, CFO

LANXESS
Energizing Chemistry

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Agenda

- **Building a more resilient New LANXESS**
- Q1 2017 and guidance – Transformation on track
- Backup

On track to change the company into the New LANXESS

Our path towards the New LANXESS

Ongoing business and portfolio improvements

Chemtura acquisition*

Chemours C&D acquisition

ARLANXEO operational

Restructuring

New LANXESS

- ! **Profitable & growing**
- ! **More resilient**
- ! **Less cyclical**
- ! **Cash generating**
- ! **Integrated supply chains**

Energizing chemistry!

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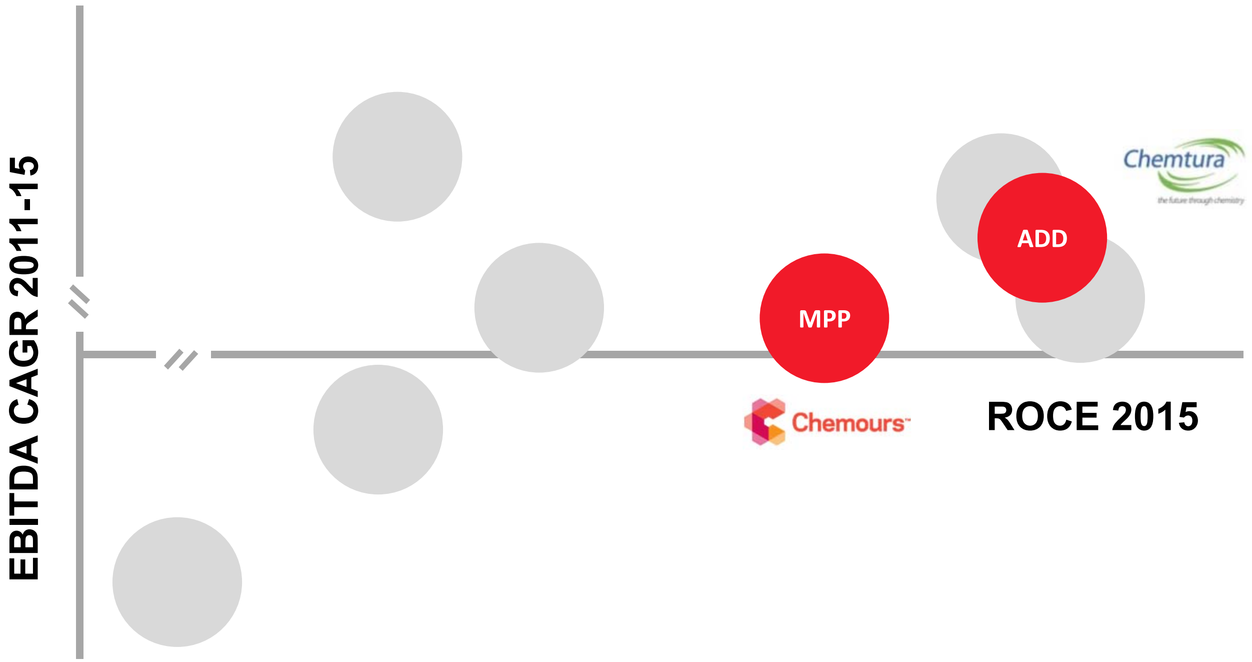
[*] Closing on April 21, 2017

2 out of 8 business units have already been upgraded through strategic portfolio management

Strategically upgrading the portfolio



Sound financials

Chemtura

Sales ~€1.5 bn

EBITDA ~€245 m

Synergies: ~€100 m by 2020

EV/EBTIDA incl. synergies: ~7x

Closing: 21 April 2017

Chemours

Sales ~€100 m

EBITDA ~€20 m

Synergies: ~€10 m by 2020

EV/EBTIDA incl. synergies: ~7x

Closing: 31 August 2016

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

A more diversified and balanced portfolio

Well balanced business set-up

Sales [€]	~2.0 bn	~2.0 bn	~1.5 bn	~1.5 bn	~3 bn
	Advanced Intermediates	**Specialty Additives****	**Engineering Materials**	**Performance Chemicals**	**ARLANXEO*** **joint venture for synthetic rubber**
					
Key strategic rationale	Building a global and resilient intermediates player	Creating a major global additives business	Building an integrated engineering plastics player	Building a specialty division	Market leading in production and marketing of synthetic rubber

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

[**] Reporting structure after closing of Chemtura acquisition

A better end market exposure

LANXESS in 2015

End market split by sales

New LANXESS ~2017

End market split by sales excl. ARLANXEO and incl. Chemtura

More diversified and resilient

Progressing very focused

Until 2018

Priorities

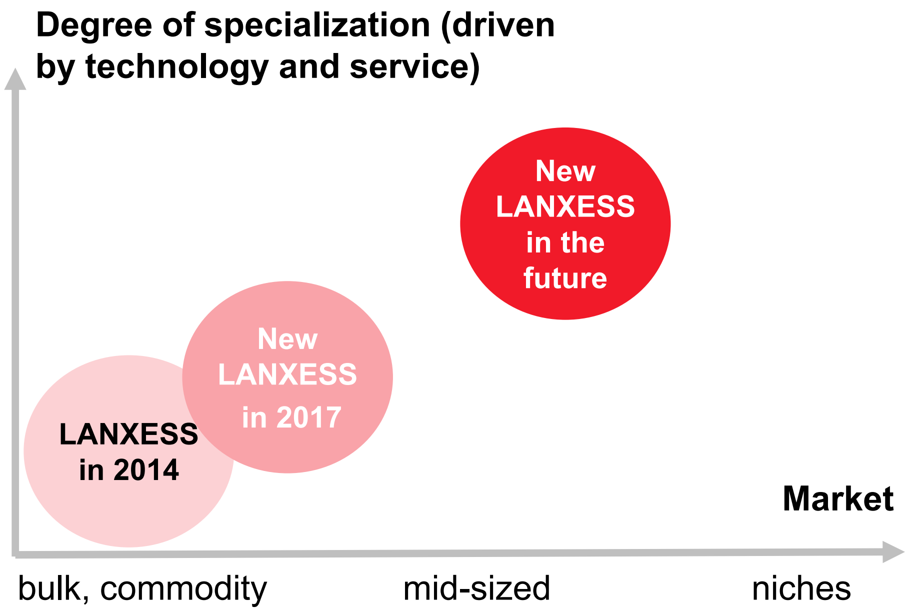
- **Integration (Chemtura)**
- **Deleveraging**
- **Organic growth** (brown fields)
- **Dividend**
- **Portfolio management**

Integration & deleveraging

thereafter

Priorities

- **Portfolio management**
- **Organic growth** (brown fields)
- **Dividend**
- **Deleveraging**



Focused organic and external growth

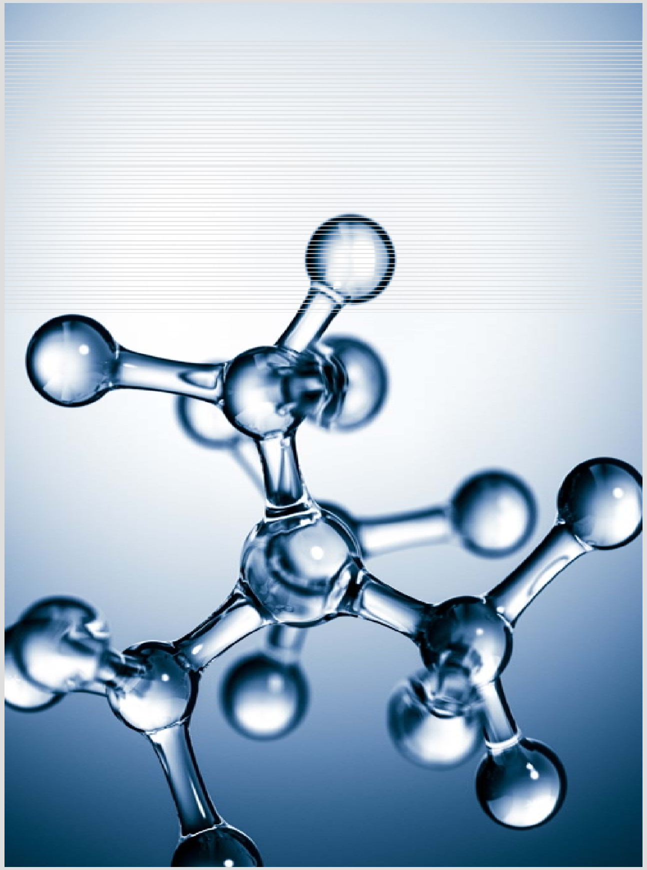
Building on our core strength

New LANXESS with strong foundation

Clear and prudent criteria for growth

Attractive organic and inorganic growth opportunities

Building a more resilient and cash generating company



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Q1 2017: Strong volumes and successful management of raw material price increases

Q1 yoy sales variances	Price	Volume	FX	Portfolio	Total
 Adv. Intermediates	+2%	+9%	+1%	+0%	+12%
 Perf. Chemicals	+2%	+5%	+2%	+5%	+14%
 High Perf. Materials	+5%	+9%	+1%	+0%	+15%
 ARLANXEO	+28%	+17%	+4%	+0%	+48%
LANXESS	+11%	+11%	+2%	+1%	+25%

- Sales increase reflects strong Asian demand and successful raw material price pass-through
- Pre-buying effects visible
- Performance Chemicals benefits from Chemours acquisition

Q1 yoy EBITDA pre bridge [€ m]

- Volume growth in all segments drives EBITDA pre
- Successful raw material price pass-through protects EBITDA pre development
- “Other” reflects mainly improved utilization and positive currency effects

Q1 2017 financial overview: A successful start to the year

[€ m]	Q1 2016	Q1 2017	yoy in %
Sales	**1,920**	**2,401**	**25%**
EBITDA pre	**262**	**328**	**25%**
margin	13.6%	13.7%	
EPS	0.58	0.85	47%
EPS pre*	0.73	1.01	38%
Capex	49	57	16%
[€ m]	**31.12.2016**	**31.03.2017**	**Δ %**
Net financial debt**	269	298	11%
Net working capital	1,628	1,905	17%
ROCE**	9.6%	10.3%	

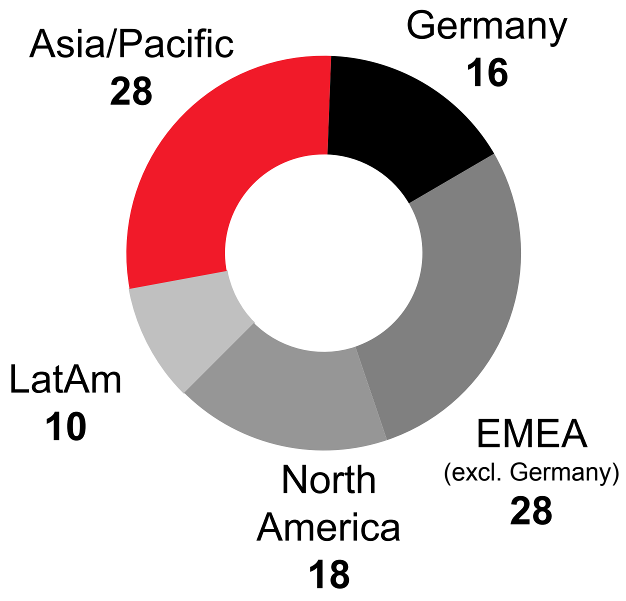
- Substantial increase in sales driven by higher prices (raw material price pass-through) and volumes
- EBITDA pre rises on strong volume growth; relatively weak comparable base
- Low net financial debt does not yet reflect payment for Chemtura acquisition
- Net working capital increases mainly on higher receivables
- ROCE improves steadily due to business evolution

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

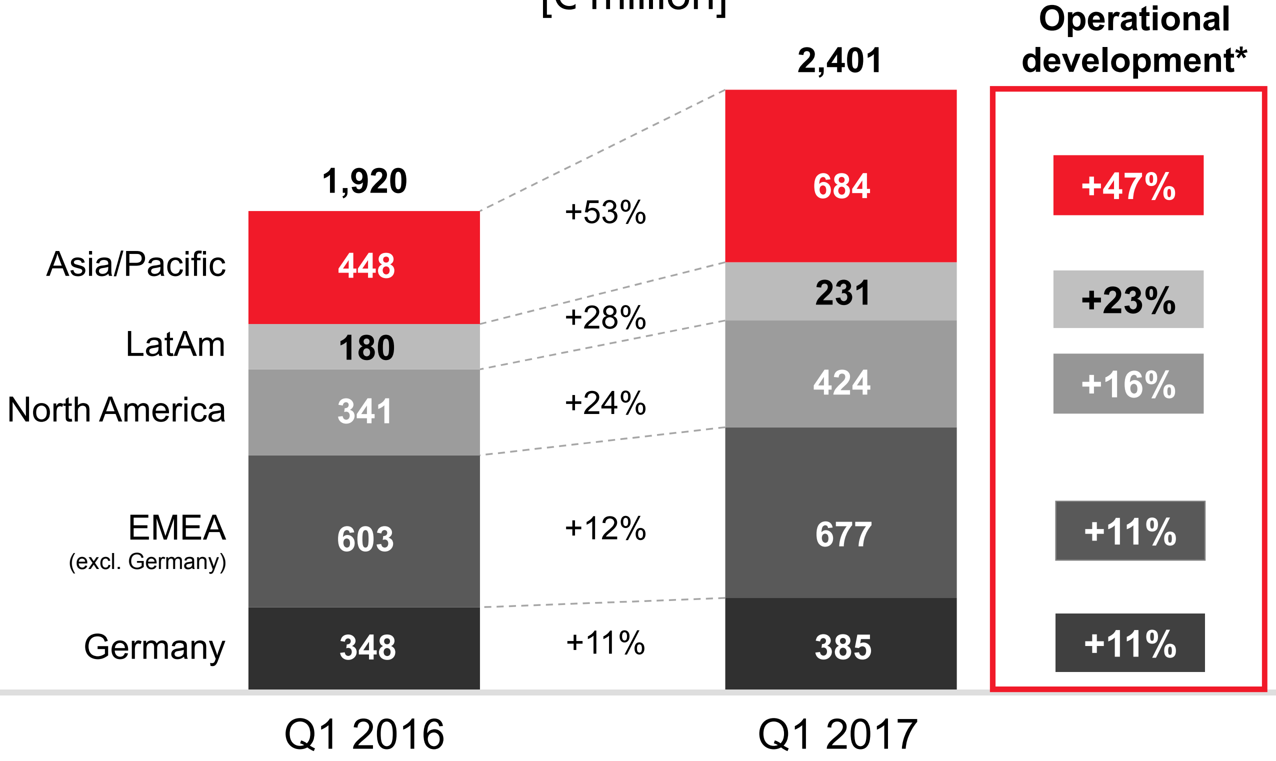
** after deduction of current financial assets

Q1 2017: Higher prices and volumes in all regions

Q1 2017 sales by region
[%]



Regional development of sales
[€ million]



* Currency and portfolio adjusted

Q1 2017: Visible increase in top and bottom line

[€ m]	**Q1 2016**		**Q1 2017**		**yoy in %**
Sales	1,920	(100%)	2,401	(100%)	25%
Cost of sales	-1,459	(-76%)	-1,855	(-77%)	-27%
Selling	-194	(-10%)	-218	(-9%)	-12%
G&A	-72	(-4%)	-72	(-3%)	0%
R&D	-30	(-2%)	-34	(-1%)	-13%
EBIT	**131**	**(7%)**	**192**	**(8%)**	**47%**
Non-controlling interests	0	(0%)	25	(1%)	>100%
Net Income	**53**	**(3%)**	**78**	**(3%)**	**47%**
EPS pre*	**0.73**		**1.01**		**38%**
EBITDA	251	(13%)	316	(13%)	26%
thereof exceptionals	-11	(-1%)	-12	(0%)	-9%
EBITDA pre exceptionals	**262**	**(14%)**	**328**	**(14%)**	**25%**

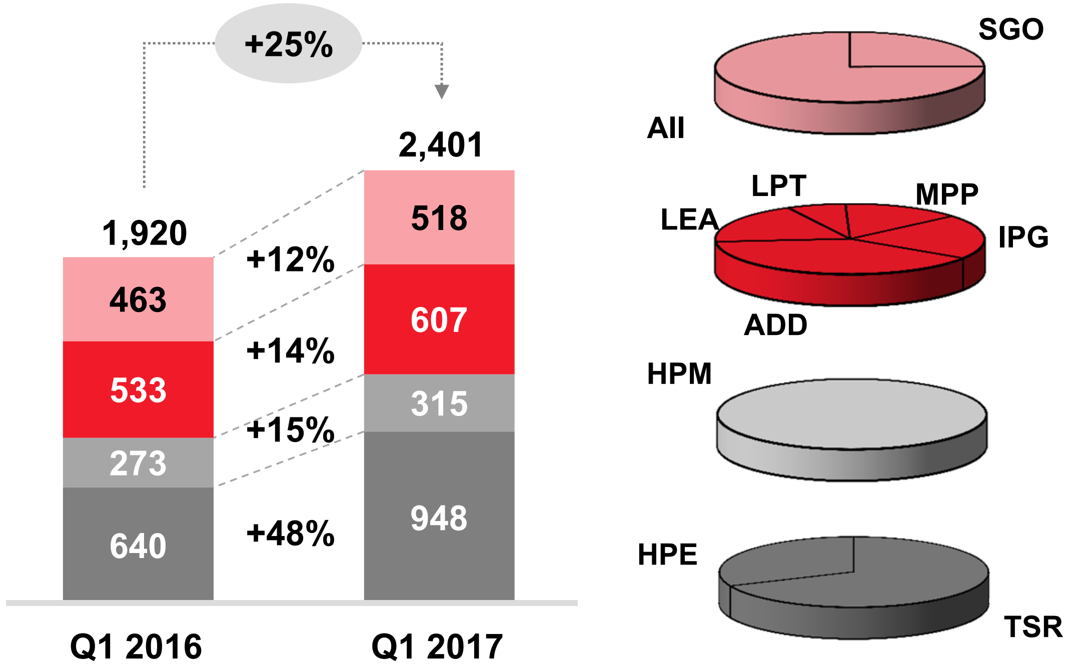
- Sales increase with strong volumes and higher prices (raw material price pass-through)
- Cost of sales driven by higher input prices and volumes; the latter also drives selling expenses
- Strong operational performance reflected in all earnings figures
- EBITDA pre margin slightly above prior-year level despite inflation in top line

Strong volume growth and raw material price volatility under control

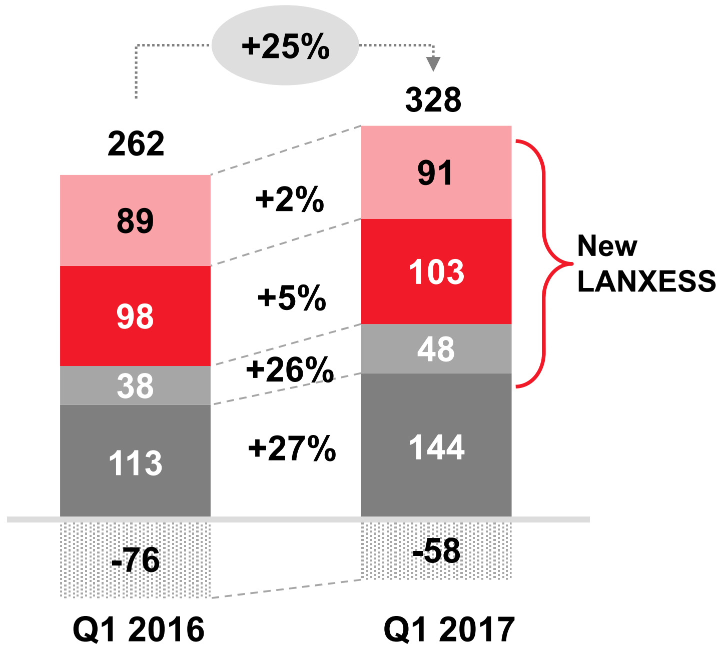
* net of exceptionals and amortization of intangible assets as well as attributable tax effects

Q1 2017: Strong increases in sales and EBITDA pre

[€ m] **Sales**



[€ m] **EBITDA pre**



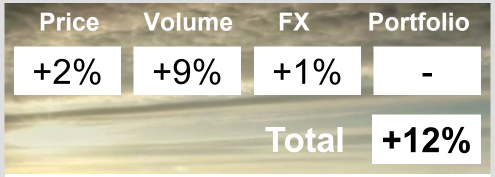
▨ Advanced Intermediates 🟥 Performance Chemicals ▨ High Performance Materials ▨ ARLANXEO ▨ Reconciliation

Total group sales including reconciliation

LANXESS

Q1 2017: Strong volumes fuel EBITDA growth in all segments

Advanced Intermediates



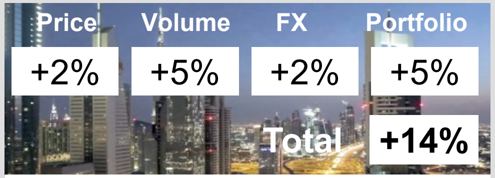
Price	Volume	FX	Portfolio
+2%	+9%	+1%	-

Total +12%

- Strong volumes in both BUs
- EBITDA pre increase held back by lagging raw material price pass-through and higher energy costs

[€ m]	Q1'16	Q1'17
Sales	463	518
EBITDA pre	89	91
Margin	*19%*	*18%*

Performance Chemicals



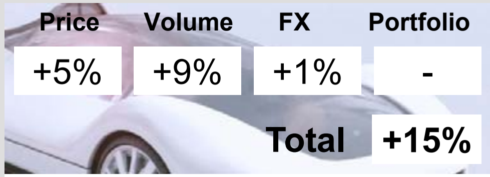
Price	Volume	FX	Portfolio
+2%	+5%	+2%	+5%

Total +14%

- Volume increases: BUs ADD (additives), MPP (biocides) and LEA (organic leather chemicals & chro. chemicals)
- EBITDA pre benefits from volumes and M&A, while mitigated by cost increase due to currencies and energy prices

[€ m]	Q1'16	Q1'17
Sales	533	607
EBITDA pre	98	103
Margin	*18%*	*17%*

High Performance Materials



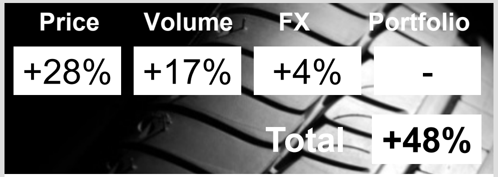
Price	Volume	FX	Portfolio
+5%	+9%	+1%	-

Total +15%

- Successfully passed-on higher raw material prices
- Visible increase in high-tech compounds
- EBITDA pre improvement on better product mix and higher utilization rates

[€ m]	Q1'16	Q1'17
Sales	273	315
EBITDA pre	38	48
Margin	*14%*	*15%*

ARLANXEO



Price	Volume	FX	Portfolio
+28%	+17%	+4%	-

Total +48%

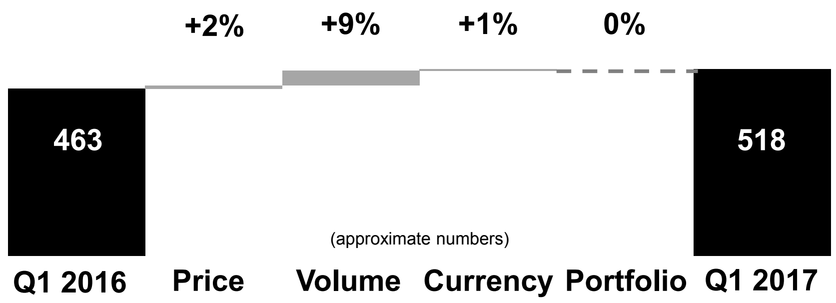
- Pass-through of significantly higher raw material prices
- Substantially higher volumes due to strong demand from Asia; also due to pre-buying
- EBITDA pre rises on higher volumes, efficient use of global production network and some FX support

[€ m]	Q1'16	Q1'17
Sales	640	948
EBITDA pre	113	144
Margin	*18%*	*15%*

Advanced Intermediates: Reliable, stable earnings generator

[€ m]	Q1 2016	Q1 2017	Δ
Sales	**463**	**518**	**12%**
EBIT	64	65	2%
Depr./Amort.	25	26	4%
EBITDA pre exceptionals	**89**	**91**	**2%**
Margin	19.2%	17.6%	
Capex	9	16	78%

Q1 sales bridge yoy [€ m]



(approximate numbers)

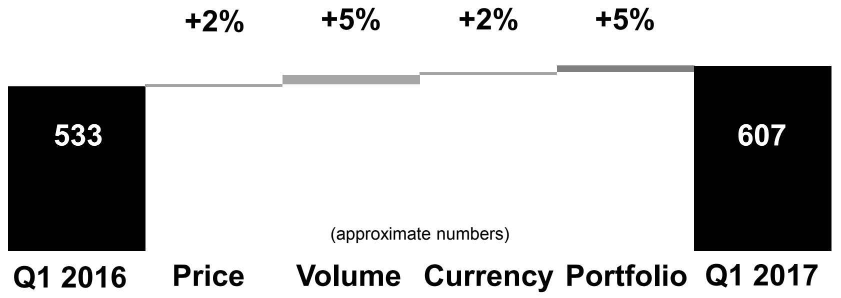
Q1 yoy effects

- BU AII sales with raw material-driven price increases (e.g. benzene)
- Strong volumes in both BUs: BU AII with strong demand across all end markets and BU SGO due to different timing patterns yoy in custom manufacturing
- EBITDA pre increase held back by lagging raw material price pass-through and higher energy prices
- Higher capex due to investments in BU SGO

Performance Chemicals: Continued improvement

[€ m]	Q1 2016	Q1 2017	Δ
Sales	**533**	**607**	**14%**
EBIT	76	77	1%
Depr./Amort.	22	26	18%
EBITDA pre exceptionals	**98**	**103**	**5%**
Margin	18.4%	17.0%	
Capex	16	18	13%

Q1 sales bridge yoy [€ m]



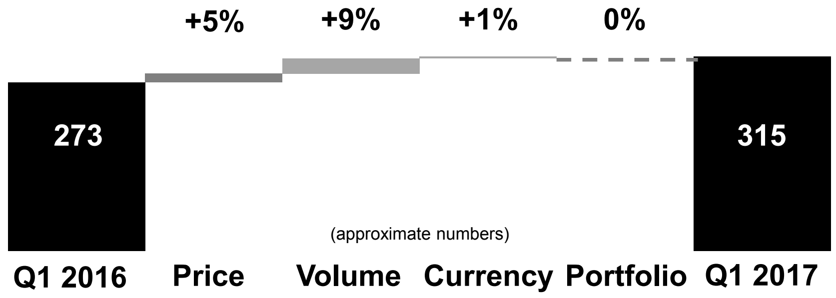
Q1 yoy effects

- Higher or stable prices in all business units
- Volume increase due to strong demand in BUs ADD (additives), MPP (biocides) and LEA (organic leather chemicals and chrome chemicals)
- EBITDA pre benefits from higher volumes and contribution from acquisition of Clean&Disinfect business
- Cost increase due to currencies and energy prices

High Performance Materials: Engineering compounds drive volumes

[€ m]	Q1 2016	Q1 2017	Δ
Sales	**273**	**315**	**15%**
EBIT	27	37	37%
Depr./Amort.	11	11	0%
EBITDA pre exceptionals	**38**	**48**	**26%**
Margin	13.9%	15.2%	
Capex	5	4	-20%

Q1 sales bridge yoy [€ m]



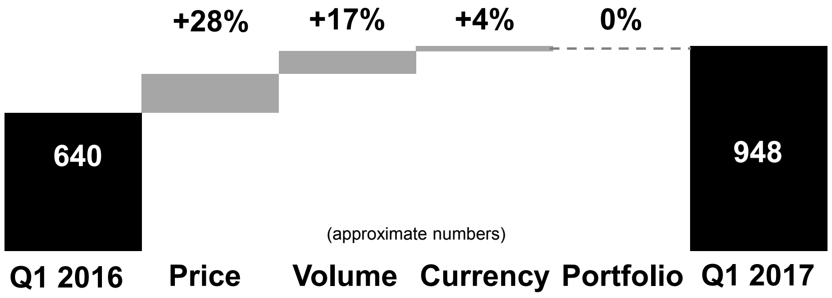
Q1 yoy effects

- Successfully passed-on higher raw material prices (cyclohexane)
- Strong volume increase across all product groups and regions; visible increase in high-tech compounds
- EBITDA pre improvement on better product mix and very good utilization rates

ARLANXEO: Temporary strong demand with record sales in March

[€ m]	Q1 2016	Q1 2017	Δ
Sales	**640**	**948**	**48%**
EBIT	57	85	49%
Depr./Amort.	56	57	2%
EBITDA pre exceptionals	**113**	**144**	**27%**
Margin	17.7%	15.2%	
Capex	16	17	6%

Q1 sales bridge yoy [€ m]



Q1 yoy effects

- Significant price increase driven by BU TSR: successful pass-through of higher raw materials prices (butadiene)
- Substantially higher volumes in both BUs with strong demand from Asia; also due to pre-buying
- EBITDA pre increases visibly due to higher volumes, efficient use of global production network and some currency support
- Competitive pressure in EPDM persists

Q1 2017: Cash flow mitigated by inflated working capital

[€ m]	Q1 2016	Q1 2017
Profit before tax	**94**	**162**
Depreciation & amortization	120	124
Financial (gain) losses	17	20
Income taxes paid	-42	-65
Changes in other assets and liabilities	77	42
Operating cash flow before changes in WC	**266**	**283**
Changes in working capital	-218	-273
Operating cash flow	**48**	**10**
Investing cash flow	**56**	**-15**
Thereof capex	-49	-57
Financing cash flow	**-137**	**52**

- Profit before tax higher on strong business performance
- Higher cash taxes due to improved results and some timing effects
- Changes in other assets and liabilities mainly reflect personnel-related provision building
- Working capital: normal seasonal pattern; however significantly higher raw material prices vs. year end and higher receivables due to strong volumes sold

Strong balance sheet

[€ m]	Dec 2016	Mar 2017
Total assets	**9,877**	**10,202**
Equity (incl. Non-controlling interest)	3,728	3,816
Equity ratio	**38%**	**37%**
Net financial debt (after deduction of current financial assets)	**269**	**298**
Near cash, cash & cash equivalents	395	494
Pension provisions	**1,249**	**1,300**
ROCE[1]	**9.6%**	**10.3%**
Net working capital	**1,628**	**1,905**
DSI (in days)[2]	67	56
DSO (in days)[3]	51	50

- Total assets increase mainly due to higher receivables from strong business momentum
- Equity ratio remains strong
- Net financial debt at low level; LANXESS well prepared for Chemtura acquisition
- Net working capital increases due to significant increase of raw material prices; a reduction of inventory volume mitigates

[1] Based on last twelve months for EBIT pre after deduction of current financial assets

[2] Days sales of inventory calculated from quarterly sales

[3] Days of sales outstanding calculated from quarterly sales

Total assets extended mainly due to an increase in receivables

[€ m]	Dec 2016	Mar 2017		Dec 2016	Mar 2017
Non-current assets	**4,519**	**4,487**	**Stockholders' equity**	**3,728**	**3,816**
Intangible assets	494	490	attrib. to non-contr. interests	1,176	1,203
Property, plant & equipment	3,519	3,456	**Non-current liabilities**	**4,516**	**4,586**
Equity investments	0	0	Pension & post empl. provis.	1,249	1,300
Other investments	12	11	Other provisions	319	336
Other financial assets	19	19	Other financial liabilities	2,734	2,733
Deferred taxes	442	478	Tax liabilities	31	31
Other non-current assets	33	33	Other liabilities	100	97
			Deferred taxes	83	89
Current assets	**5,358**	**5,715**			
Inventories	1,429	1,494	**Current liabilities**	**1,633**	**1,800**
Trade account receivables	1,088	1,338	Other provisions	406	487
Other current financial assets	2,130	2,039	Other financial liabilities	78	135
Other current assets	316	350	Trade accounts payable	889	927
Near cash assets	40	90	Tax liabilities	44	57
Cash and cash equivalents	355	404	Other liabilities	216	194
Total assets	**9,877**	**10,202**	**Total equity & liabilities**	**9,877**	**10,202**

- Financial liabilities include three bonds totaling €1.5 bn that were issued to finance the Chemtura acquisition
- Other current financial assets include the proceeds of these bonds plus part of the €1.2 bn cash received from Saudi Aramco for 50% in ARLANXEO

2017 should be the strongest year ever, despite several challenges that still need to be tackled

Macro economics	▪ Europe and North America should grow similar to prior year ▪ Asia/Pacific with improved growth rates against 2016: Very strong at the beginning of the year, but fading towards H2 2017 ▪ Latin America should turn positive in 2017 (driven by Brazil)
FY 2017	▪ Major maintenance shutdowns in Q2 (ARLANXEO) and Q4 (BU HPM) ▪ Strong start to the year, however with some pre-buying in Asia ▪ Despite raw material price volatility, business dynamics remain healthy in Q2 ▪ Growth rates expected to soften in H2 (seasonality and high comparables) ▪ **FY 2017 EBITDA pre expected 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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- Building a more resilient New LANXESS
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Backup

Housekeeping items excluding Chemtura

Additional financial expectations excluding Chemtura

- Capex 2017: ~€450-500 m (thereof ~€150 m ARLANXEO)
- Operational D&A 2017: ~€480 m (thereof ~€220 m ARLANXEO)
- Reconciliation 2017: ~-€170 m EBITDA pre incl. hedging
- Tax rate: Mid-term: 30-35% (for New LANXESS)
- Dividend policy: Aiming for a rising or at least stable dividend

Please note:

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

All data excludes the contribution from the Chemtura acquisition as of April 21, 2017
At USD/EUR 1.10

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

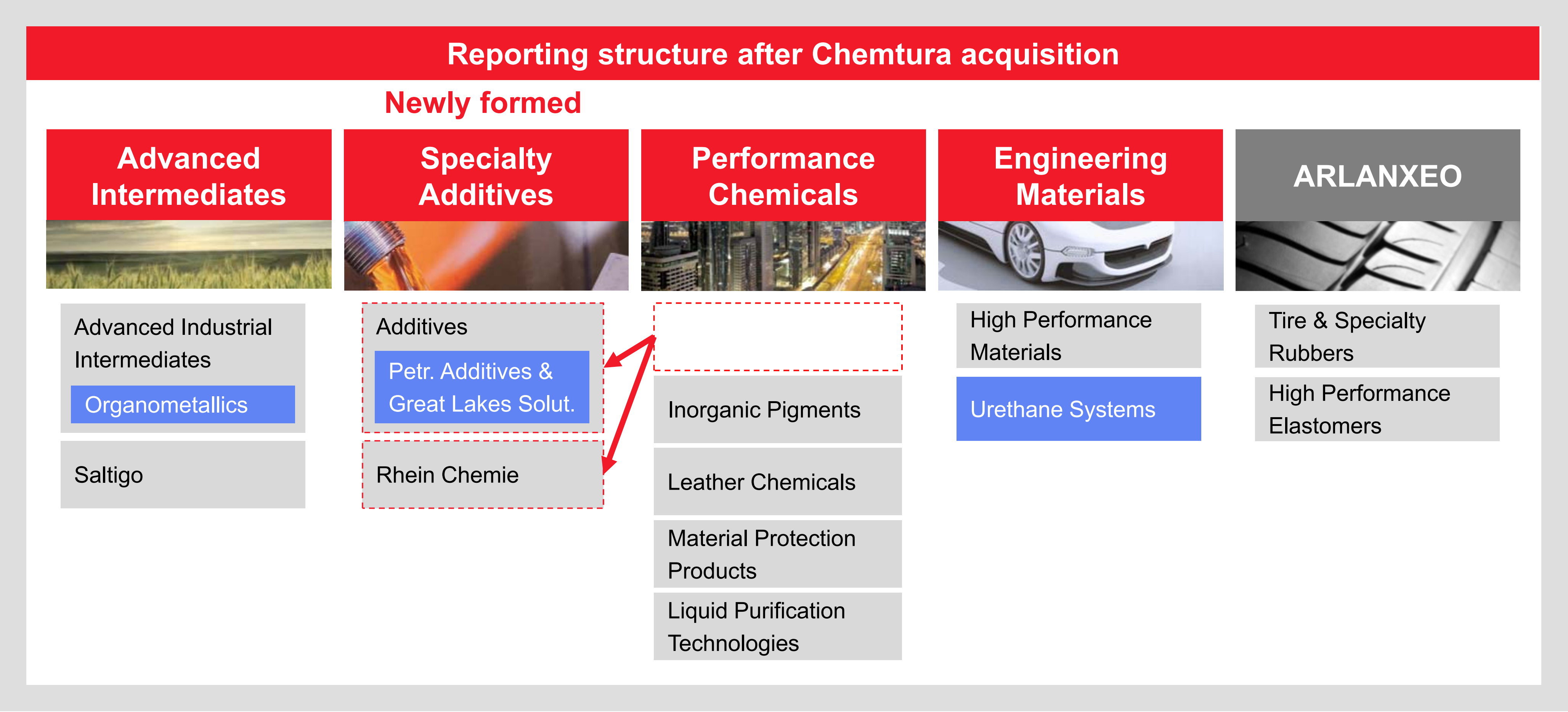
First indicative considerations after closing

- 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 has formed five strong segments



Reporting structure after Chemtura acquisition

Newly formed

Advanced Intermediates
- Advanced Industrial Intermediates
  - Organometallics
- Saltigo

Specialty Additives
- Additives
  - Petr. Additives & Great Lakes Solut.
- Rhein Chemie

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

Engineering Materials
- High Performance Materials
- Urethane Systems

ARLANXEO
- Tire & Specialty Rubbers
- High Performance Elastomers

LANXESS Business Units

Former Chemtura Business Units

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

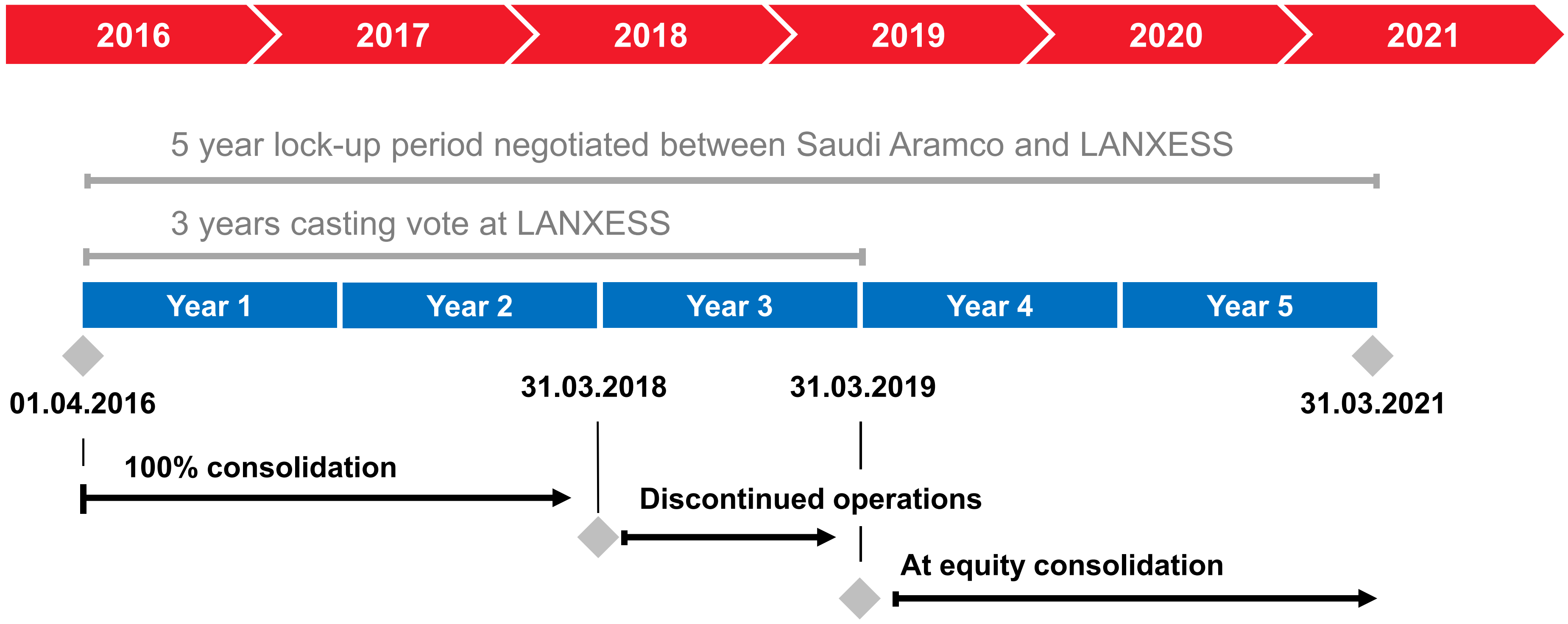
Details on synergies and one-time costs of Chemtura acquisition

Preliminary implementation schedule of Chemtura acquisition

		2016	2017	2018	2019	2020	Total
[€ m]	Expense (one-time costs)*		~70	~30	~20	~20	**~140**
[€ m]	Capex		~30	~10	~10		**~50**
[€ m]	Synergies		~25	~25	~35	~15	**~100**

* Excluding ~€80 m transaction related cash-outs

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

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

New LANXESS with strong ROCE

FY 2016	New LANXESS			ARLANXEO	Group
	 Advanced Intermediates	 Performance Chemicals			LANXESS
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

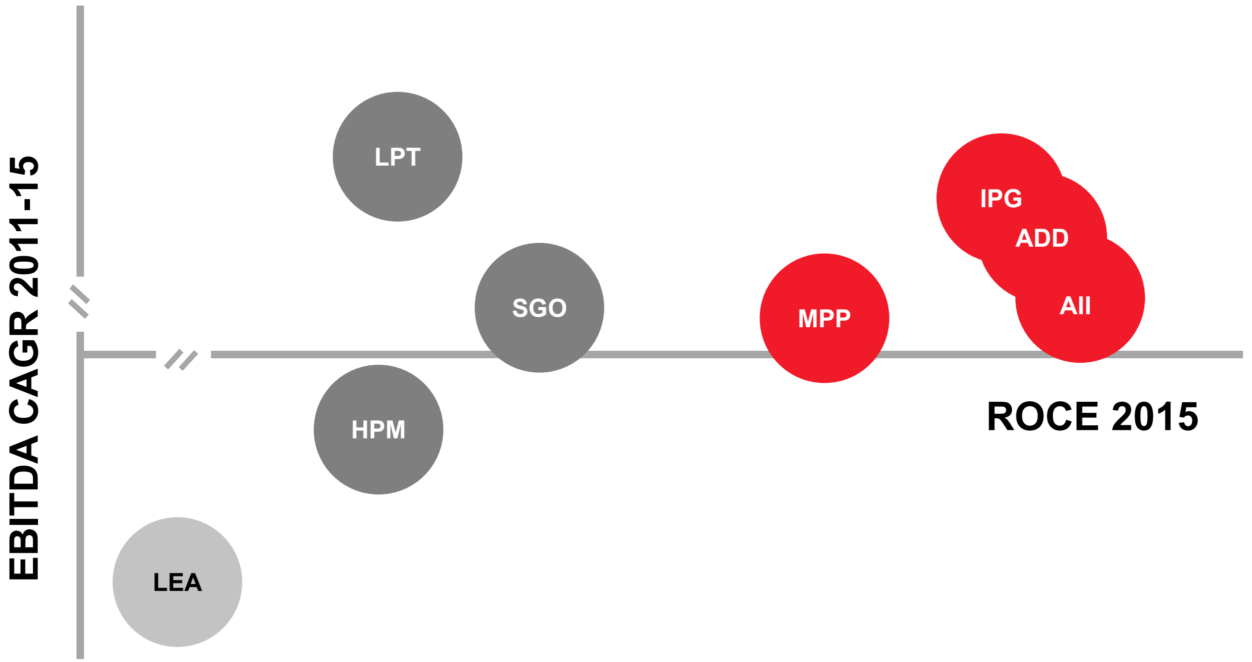
EBITDA pre and margin for HPM and ARLANXEO are unaudited figures; ROCE split is an approximation

* For segments: Operational EBITDA pre without allocation of hedging expenses

** Adjusted for current financial assets

Dedicated value maximizing strategy for each business unit

Strong portfolio with potential to improve

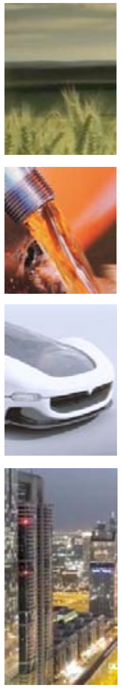


Strategic path

1. Keep financial profile but gain size
2. Catch-up on return and grow
3. Turnaround / partnerships

Detailed analysis prepared, ready for execution

Further potential for portfolio optimization



Advanced Intermediates	Advanced Industrial Intermediates	🟥	
	Saltigo	⬛	
Specialty Additives*	Additives	🟥	✓
	Rhein Chemie	⬛	✓
Engineering Materials	High Performance Materials	🟥	
	Urethane Systems*	⬛	
Performance Chemicals	Inorganic Pigments	⬛	
	Leather	⬛	
	Material Protection Products	⬛	✓
	Liquid Purification Technologies	▨	
ARLANXEO Performance Elastomers **ARLANXEO****	Tire & Specialty Rubbers	🟥	
	High Performance Elastomers	🟥	

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

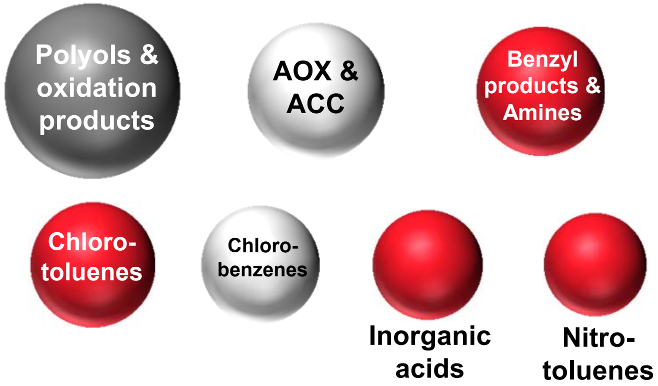
Ongoing implementation

🟥 Sales: > €500 m ⬛ Sales: €200 m – 500 m ▨ Sales: < €200 m

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

Advanced Intermediates: Efficient, resilient, expandable

Use market and technological leadership …

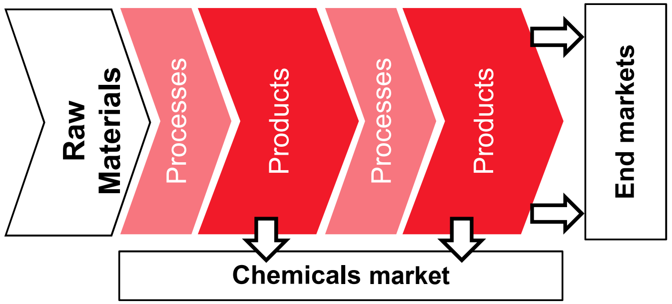


LANXESS market share[1] 🔴 >30% ⚫ >25% ⚪ >20%

Saltigo

Leading agro custom manufacturer in Europe

… on competitive production platform



- Unique integrated manufacturing network (Verbund)
- Lean cost structure

Building a global and resilient intermediates player

End market growth ~3-4%

Growth capex[2] ~€100-150 m at ROCE ≥ Ø group[3]

Potential for future growth

Bubble sizes represents sales

[1] By capacity; [2] Growth capex for the years 2016-2020; [3] Refers to New LANXESS

Performance Chemicals: Making them shine

Leverage technology positions…

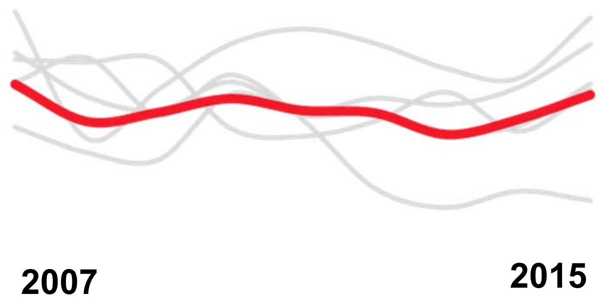
Niche markets

Low asset intensity

Solution provider

… and upgrade product mix further

Segment & BUs EBITDA margin



End market growth ~3%

Growth capex* ~€100-150 m at ROCE ≥ Ø group**

Additives

Pigments

Biocides

Leather

Water

Building a specialty division through organic and external growth

Potential for future growth

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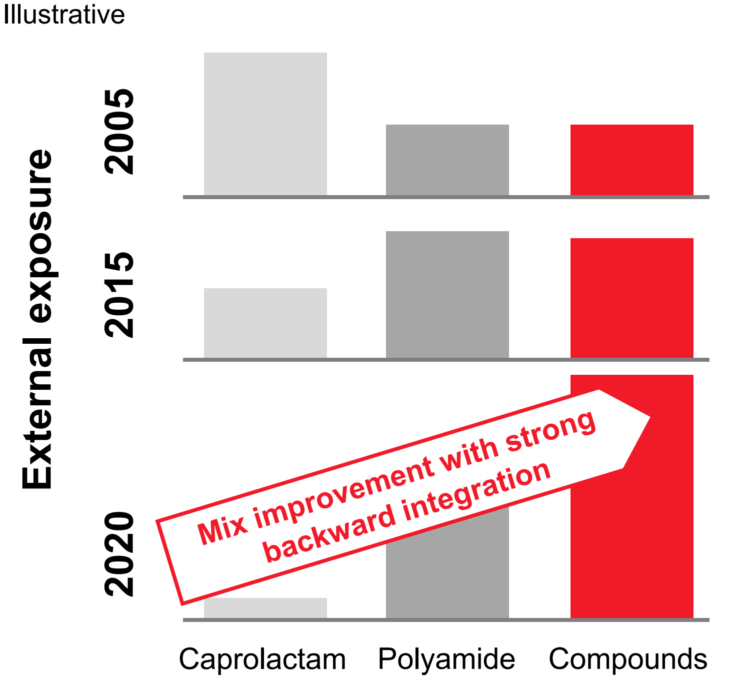
* Growth capex for the years 2016-2020

** Refers to New LANXESS

High Performance Materials: It's growth and mix

Focus on higher value-add engineering plastic compounds …



… and repositioning profitability

Mix improvement through more balanced capacity model

~€20 m EBITDA improvement through **efficiency measures** by 2020 (Phase II)

Compounding expansions:
+ 20kt Gastonia, US ('16)
+ more to come

Building an integrated engineering plastics player

End market growth
~5%

Growth capex*
~€50-100 m
at ROCE ≥ Ø group**

Potential for future growth

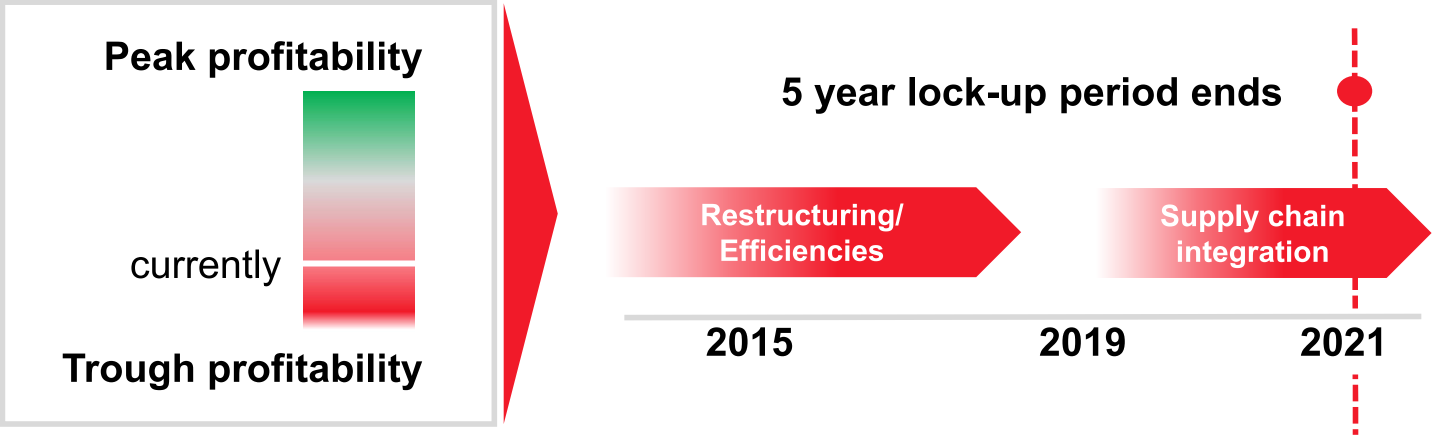
---

* Growth capex for the years 2016-2020
** Refers to New LANXESS

And finally a few thoughts on ARLANXEO

Excellent position through the strength of both partners

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



End market growth ~3-4%

Well invested asset base

Potential for future growth

Acquisition of Chemtura: Establishing a major global additives player

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

Lubricant additives

Flame retardants

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

Rationale of acquisition:

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

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

EV/EBITDA ~7x including synergies

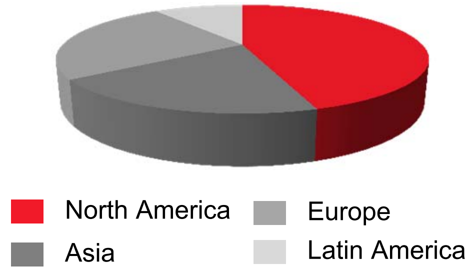
- Closing anticipated mid-2017

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

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

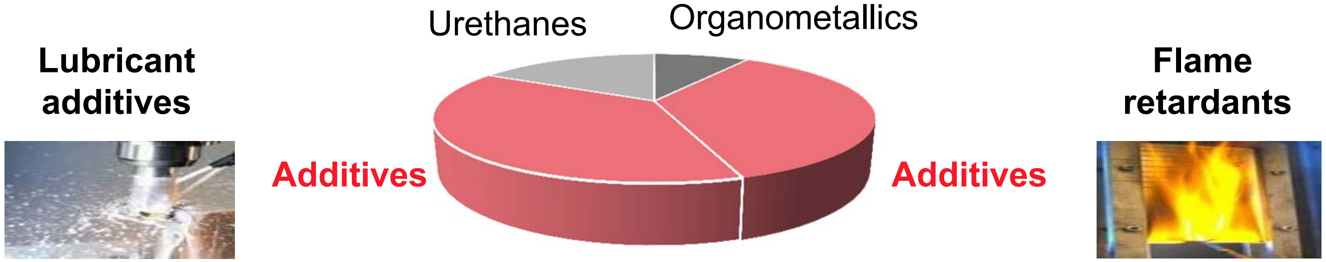
A global, specialty chemical company*

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



Well established in lubricant additives and flame retardants

Sales split

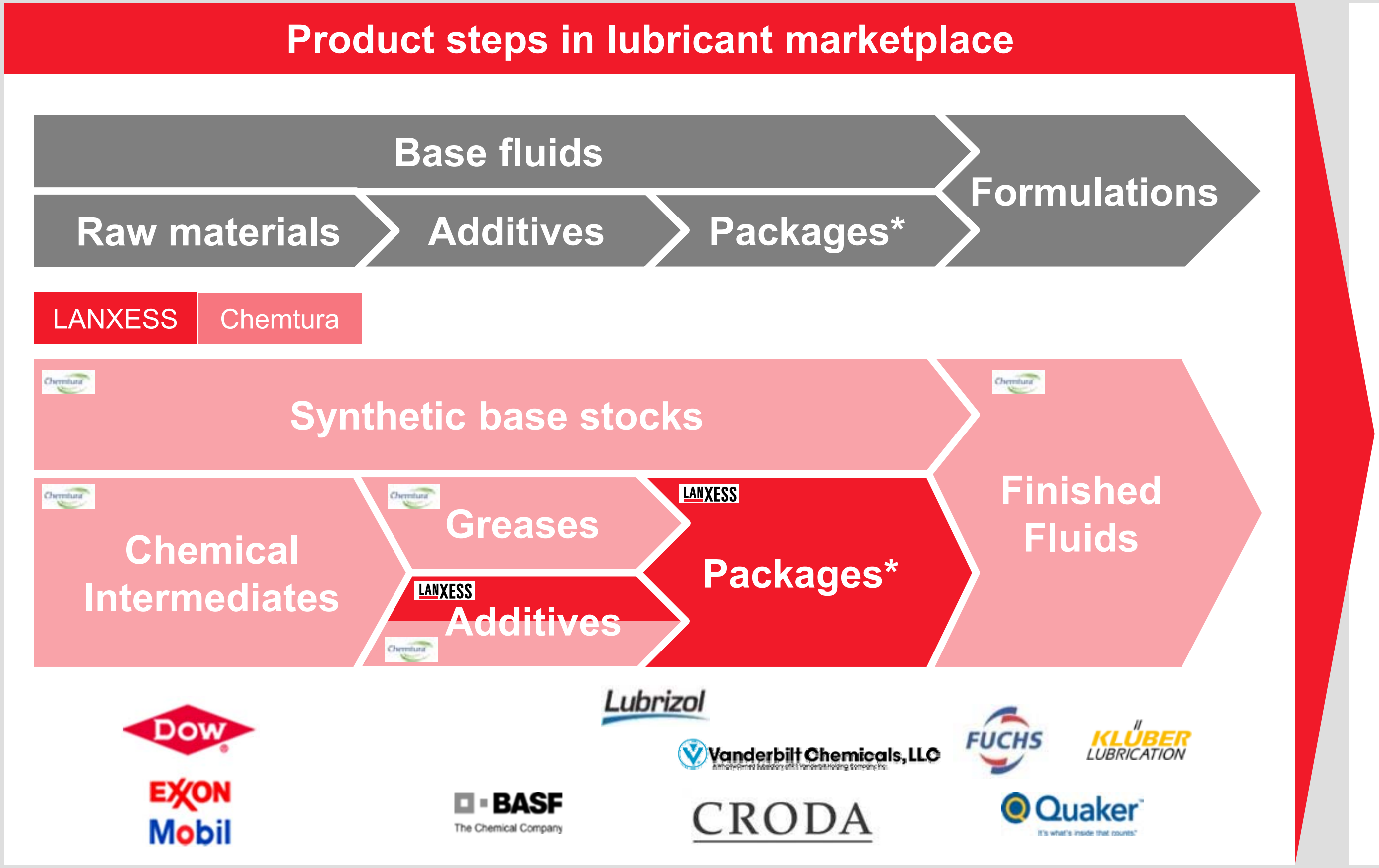


Key customer bases growing**

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)

Strengthened integrated value chain in lubricants and lubricant additives



Product steps in lubricant marketplace

Base fluids

Raw materials | **Additives** | **Packages***

Formulations

LANXESS | Chemtura

Synthetic base stocks

Chemical Intermediates

Greases

Additives

Packages*

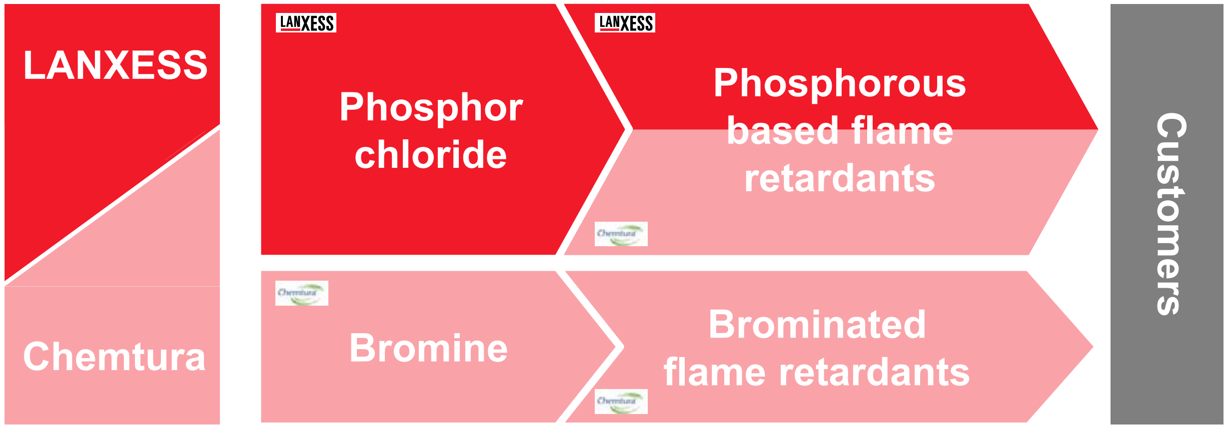
Finished Fluids

- Backward integration potential
- Complementary product groups; optimization of sales channels and cross selling potential
- Good platform for growth; recent investments in Netherlands (base stocks) and China (greases and fluids) offer volume growth potential

* Packages: technical term for formulations / mixtures of different additive components

A strong platform and value proposition in the flame retardants business will be created

Value chain flame retardants



Backward integration ✓

Broad product portfolio ✓

- Complementary portfolios in flame retardants
- Optimization of production platform and sales channels
- Good platform for growth with new flame retardant developments

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)

Business

Society

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

THE GLOBAL COMPACT
WE SUPPORT

CDP
A LIST
2016
CLIMATE

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM

oekom research
Rating Category: C+

FTSE4Good

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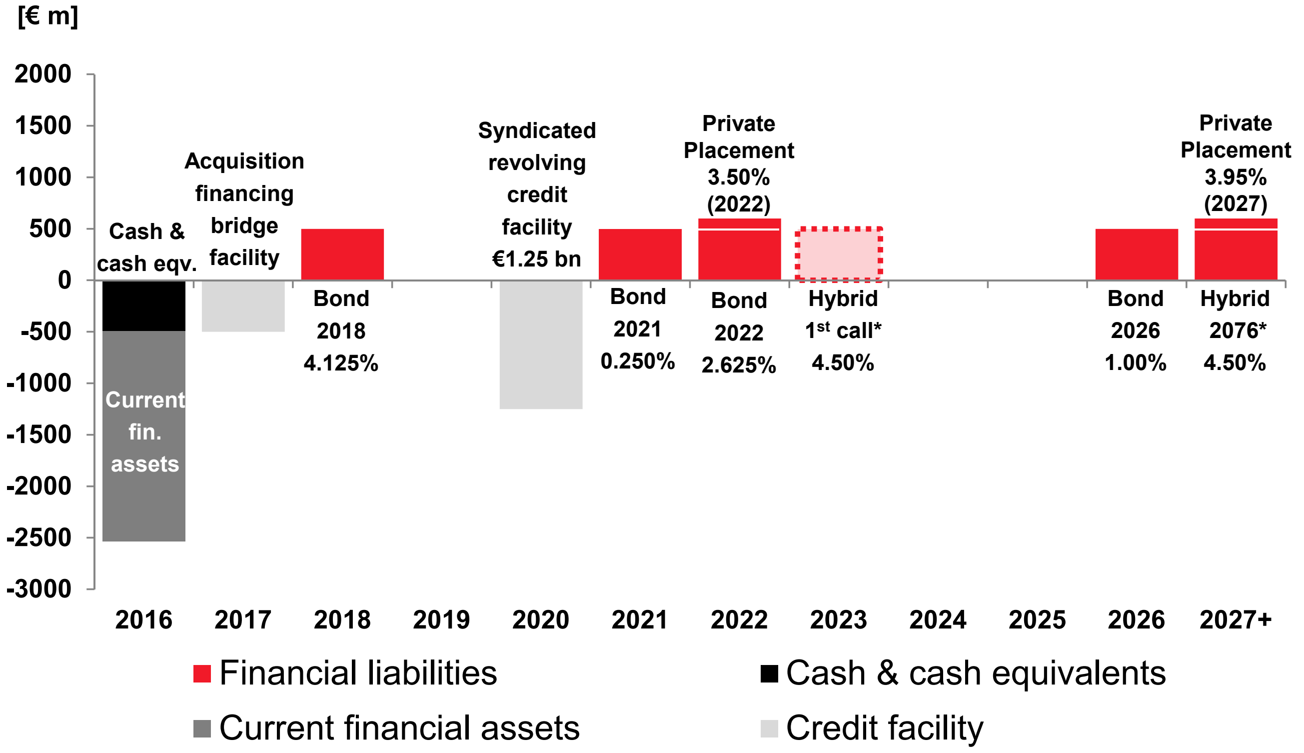
[1] Base year: 2015; for CO_2: Scope 1 and Scope 2 emissions
[2] Members: BASF, Bayer, Evonik, Henkel, LANXESS, Akzo Nobel, Solvay
[3] Non methane volatile organic compounds; [4] African Medical and Research Foundation

Maturity profile actively managed and well balanced

Long-term financing secured

- Liquidity position reduced with closing of Chemtura acquisition on April 21, 2017
- Undrawn bridge facility was cancelled on closing date
- Diversified financing sources
  - Bonds & private placements
  - Syndicated credit facility
- Average interest rate of financial liabilities <3%
- All group financing executed without financial covenants

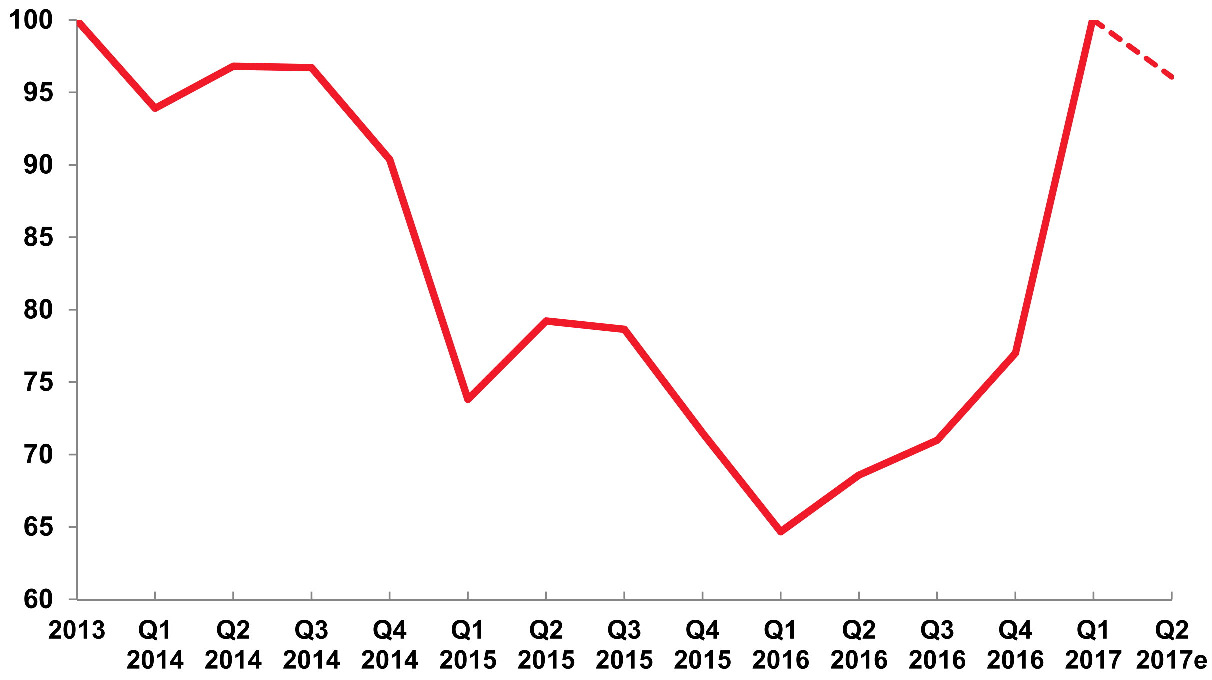
Liquidity and maturity profile as per March 2017



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

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 partially reverse in Q2

* Source: LANXESS, average 2013 = 100%

Overview exceptional items Q1 2017

[€ m]	Q1 2016		Q1 2017	
	Excep.	Thereof D&A	Excep.	Thereof D&A
Advanced Intermediates	0	0	0	0
Performance Chemicals	0	0	0	0
High Performance Materials	0	0	0	0
ARLANXEO	0	0	2	0
Reconciliation	11	0	10	0
Total	**11**	**0**	**12**	**0**

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

High Performance Materials (in future: Engineering Materials)

HPM	High Performance Materials
URE	Urethane Systems*

ARLANXEO**

TSR	Tire & Specialty Rubbers
HPE	High Performance Elastomers

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[*] Future reporting structure after closing of Chemtura acquisition on April 21, 2017

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

Upcoming events 2017

Proactive capital market communication

Citi’s Inaugural Chemicals Conference	May 16	London
Annual General Meeting	**May 26**	**Cologne**
Société Générale Nice Conference 2017	June 1/2	Nice
Deutsche Bank dbAccess Berlin Conference	June 22/23	Berlin
Morgan Stanley Cannon Ball Run	June 27	Cologne
Exane BNP 19th European CEO Conference	June 13	Paris
mBank Chemicals Day 2017	June 20	Warsaw
Credit Suisse Global Chemicals and Agriculture Conference	June 20	London
Q2 results 2017	**August 10**	
Meeting the Management 2017	**September 6**	**Cologne**
SdK Börsentag Hannover	September 13	Hanover
6th Annual Goldman Sachs & Berenberg German Corp. Conference	September 18/19	Munich
Baader Investment Conference 2017	September 18-20	Munich
Q3 results 2017	**November 9**	
Berenberg European Corporate Conference	December 4	Pennyhill

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