



LANXESS – Energizing Chemistry

Business Profile 2014

Investor Relations, March 2014

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LANXESS – as investment

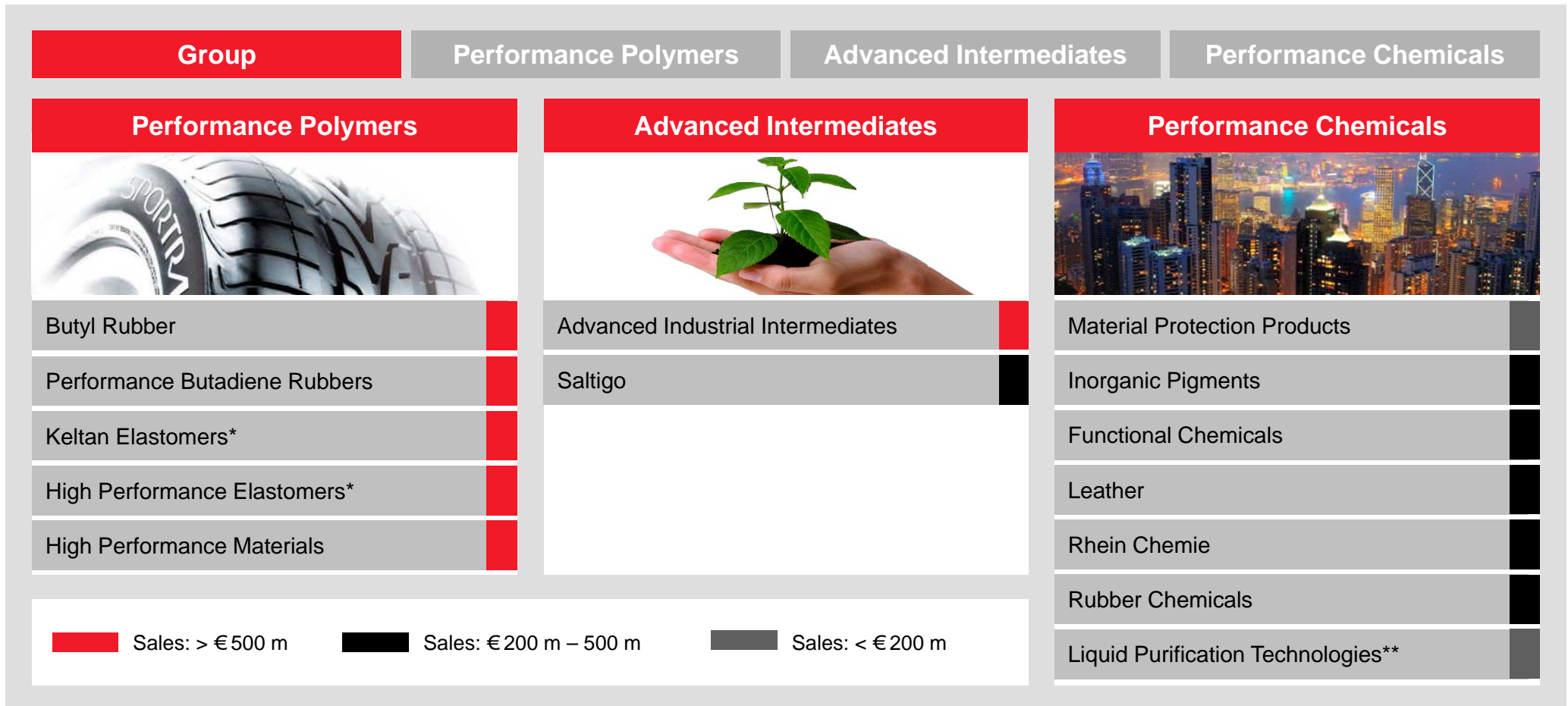
Group	Performance Polymers	Advanced Intermediates	Performance Chemicals
Focus on premium products enabled by technology			
Competitiveness based on process know-how			
Global reach – geographical diversification			
Ongoing financial discipline and cost management			
Sustainable dividend policy			



LANXESS – a leading specialty chemicals group

Group	Performance Polymers	Advanced Intermediates	Performance Chemicals
Performance Polymers	Advanced Intermediates	Performance Chemicals	
			
Globally No. 1-3	Europe No. 1-2	No. 1-4 in niche markets	
<ul style="list-style-type: none"> ▪ Global technology leader in synthetic rubber and polyamide ▪ Supporting trends: <ul style="list-style-type: none"> - mobility, growing population in Asia - high-performance tires - vehicle weight reduction - tire labeling 	<ul style="list-style-type: none"> ▪ Leading suppliers of custom synthesis and intermediates (agrochem-related) ▪ Supporting trends: <ul style="list-style-type: none"> - increasing crop demand for food, feed and fuel based on growing population - need of farmers to raise yields - industry consolidation 	<ul style="list-style-type: none"> ▪ Application-orientated specialty chemicals ▪ Strong brands and technology leader ▪ Supporting trends: <ul style="list-style-type: none"> - scarcity of purified water - rising middle class in APAC - ongoing market consolidation 	

Business portfolio based on three strong pillars




* As of January 1st 2013 BU TRP (Technical Rubber Products) split into BU KEL (Keltan Elastomers) and BU HPE (High Performance Elastomers)

** As of April 1st 2013 BU ION (Ion Exchange Resins) renamed to BU LPT (Liquid Purification Technologies)

LANXESS has a broad customer portfolio with varying demand patterns



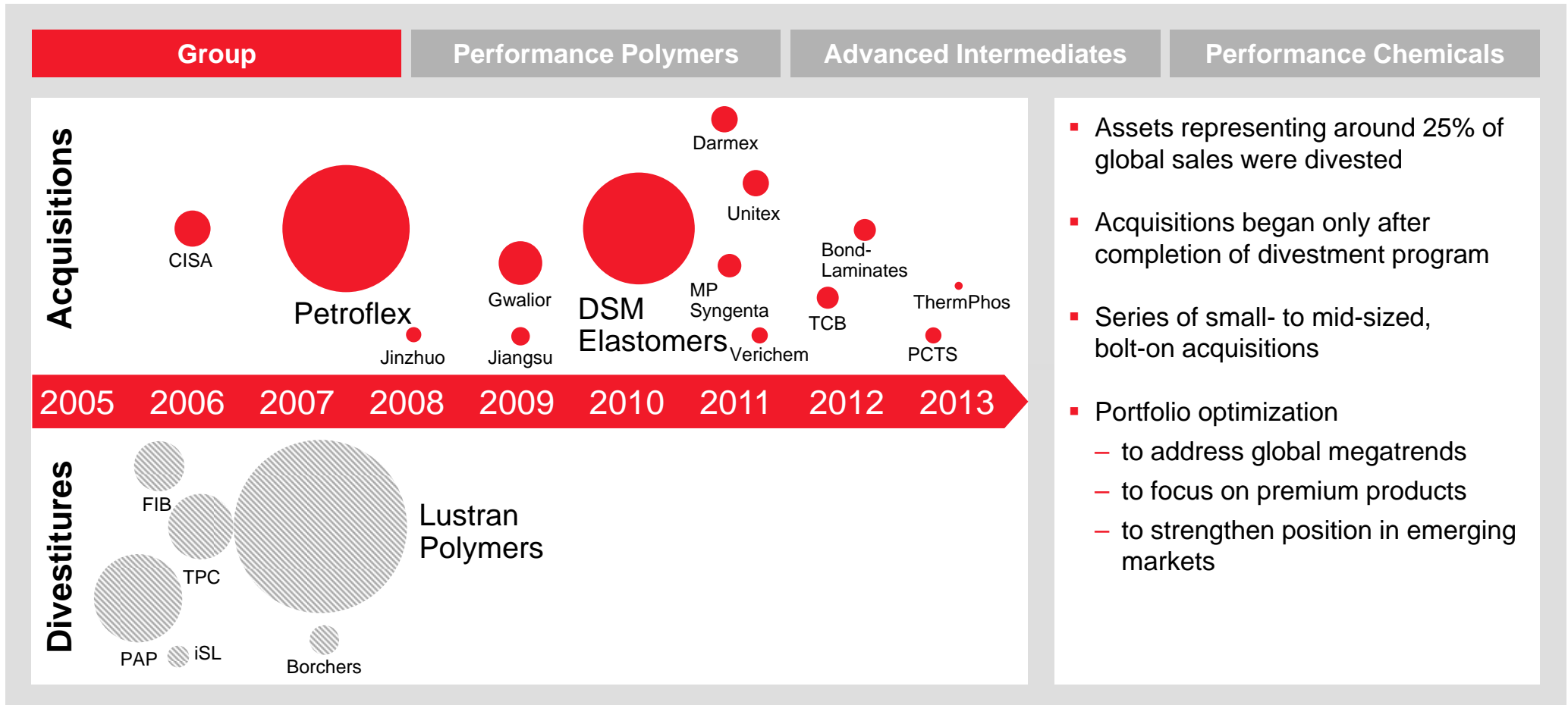
Corporate Responsibility well integrated - achieving goals sustainably

Group	Performance Polymers	Advanced Intermediates	Performance Chemicals
Climate/Environmental goals <ul data-bbox="161 568 1064 804" style="list-style-type: none"> ▪ Reduction of specific CO₂ emission by 10%* until 2015 ▪ Reduction of specific energy consumptions by 10%* until 2015 ▪ Reduction of volatile organic compounds (VOC) emissions by 30%* until 2015 		Procurement initiatives <ul data-bbox="1176 568 2042 812" style="list-style-type: none"> ▪ '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 <ul data-bbox="161 906 1010 1093" style="list-style-type: none"> ▪ Xact: Global safety program to improve occupational, process and plant safety (since 2011) ▪ Global management system for optimization of transportation of (dangerous) goods 		Society initiatives <ul data-bbox="1176 906 2067 1093" style="list-style-type: none"> ▪ Global education initiatives/cooperation with Teach First ▪ Global board initiative 'Diversity & Inclusion' ▪ XCare: responding to employees' demographic challenges 	
			



* Base year: 2010; **Members: BASF, Bayer, Evonik, Henkel, LANXESS, Akzo Nobel, Solvay

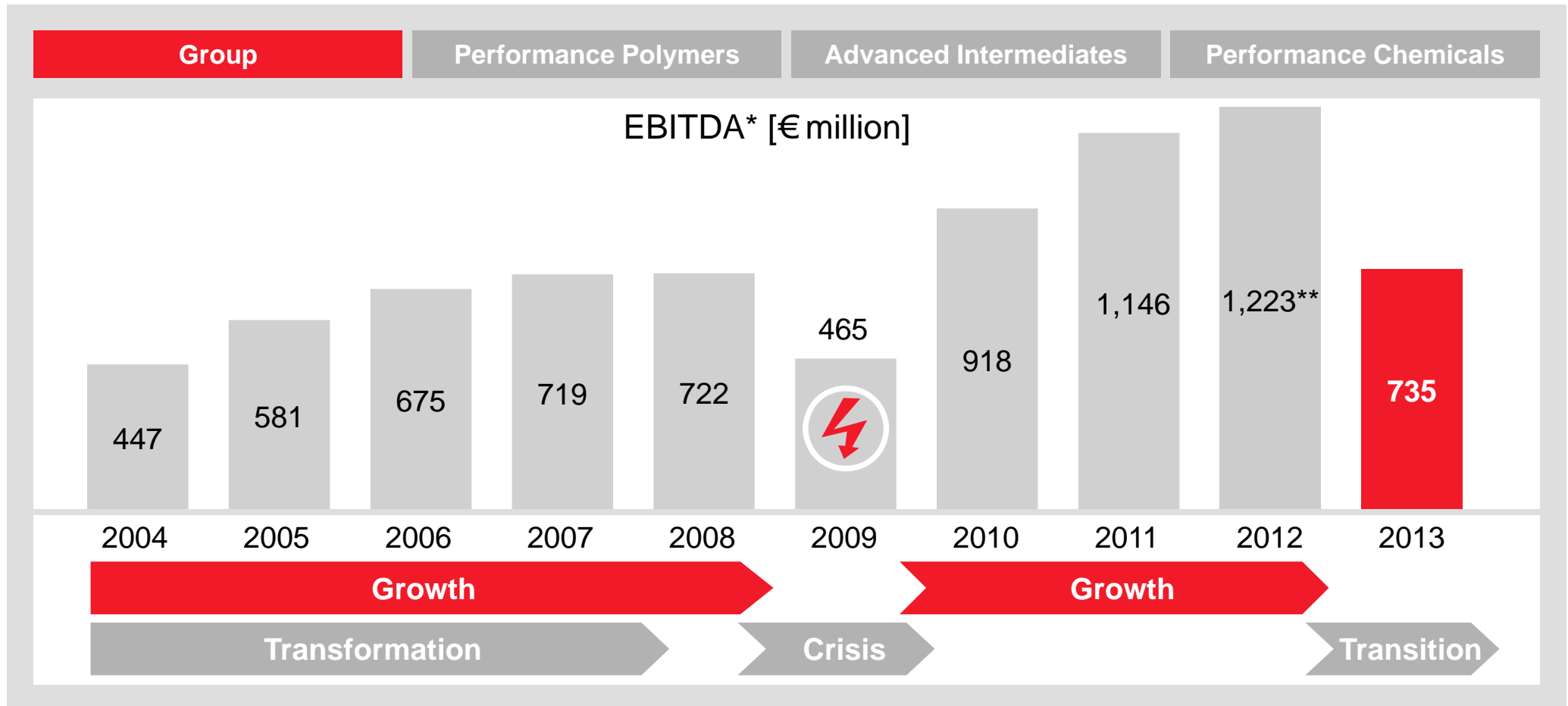
Divestments followed by acquisitions lead to sound portfolio transformation



- Assets representing around 25% of global sales were divested
- Acquisitions began only after completion of divestment program
- Series of small- to mid-sized, bolt-on acquisitions
- Portfolio optimization
 - to address global megatrends
 - to focus on premium products
 - to strengthen position in emerging markets


Note: Bubble size represents relative sales

Earnings set-back FY 2013: The year of the “perfect storm”

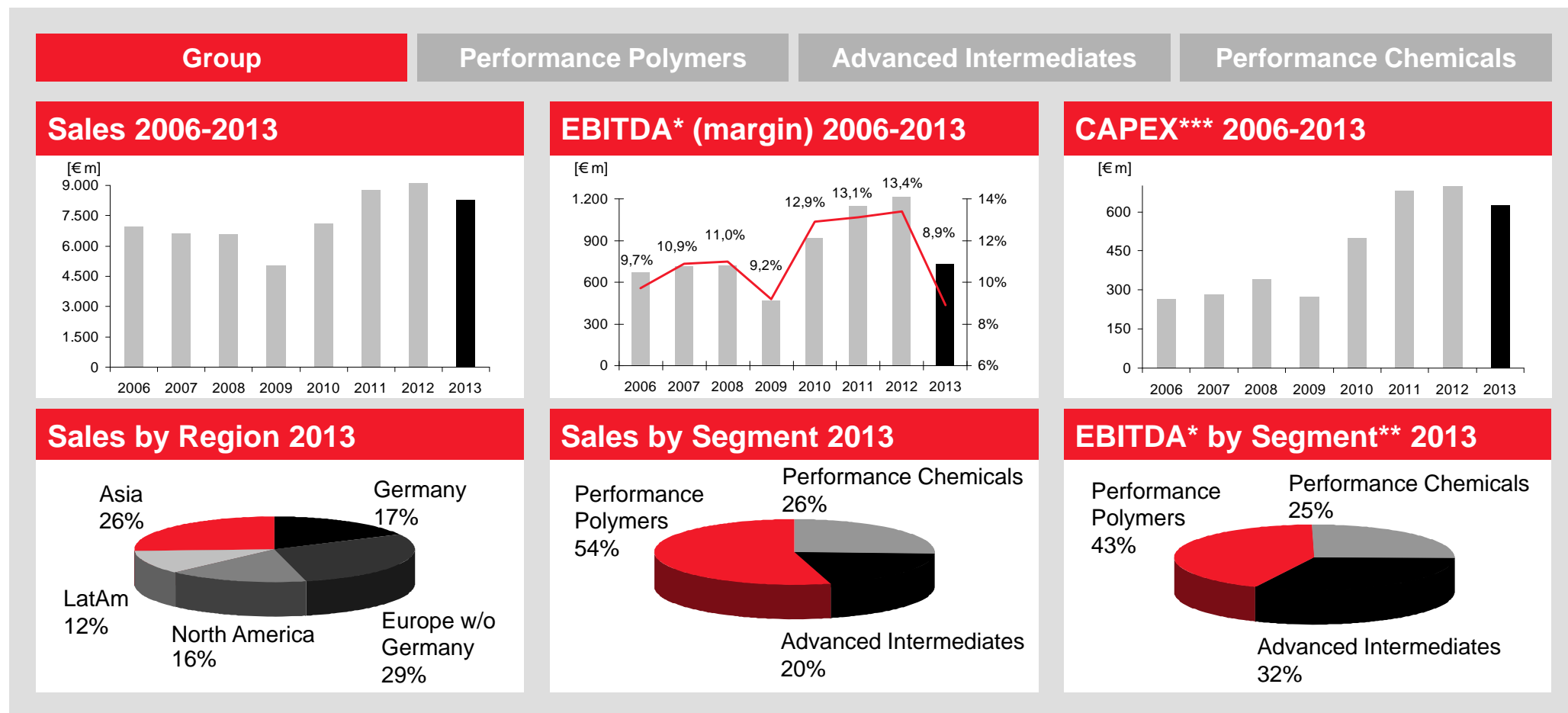


* pre exceptionals ** 2012 restated due to IAS 19 (revised)

LANXESS takes action to remain on growth path

Group			Performance Polymers	Advanced Intermediates	Performance Chemicals
Differentiation	Diversification	“Advance” program			
<ul style="list-style-type: none"> ▪ Products ▪ Assets ▪ Geographical 	<ul style="list-style-type: none"> ▪ Performance Polymers ▪ Advanced Intermediates ▪ Performance Chemicals 	<ul style="list-style-type: none"> ▪ Cost savings ▪ Capex reduction ▪ Restructuring ▪ Portfolio management 			
Ongoing alignment of measures					

FY 2013: A challenging year



* pre exceptionals; ** based on contribution of operating segments; *** net of capitalized borrowing cost, projects financed by customers and finance lease

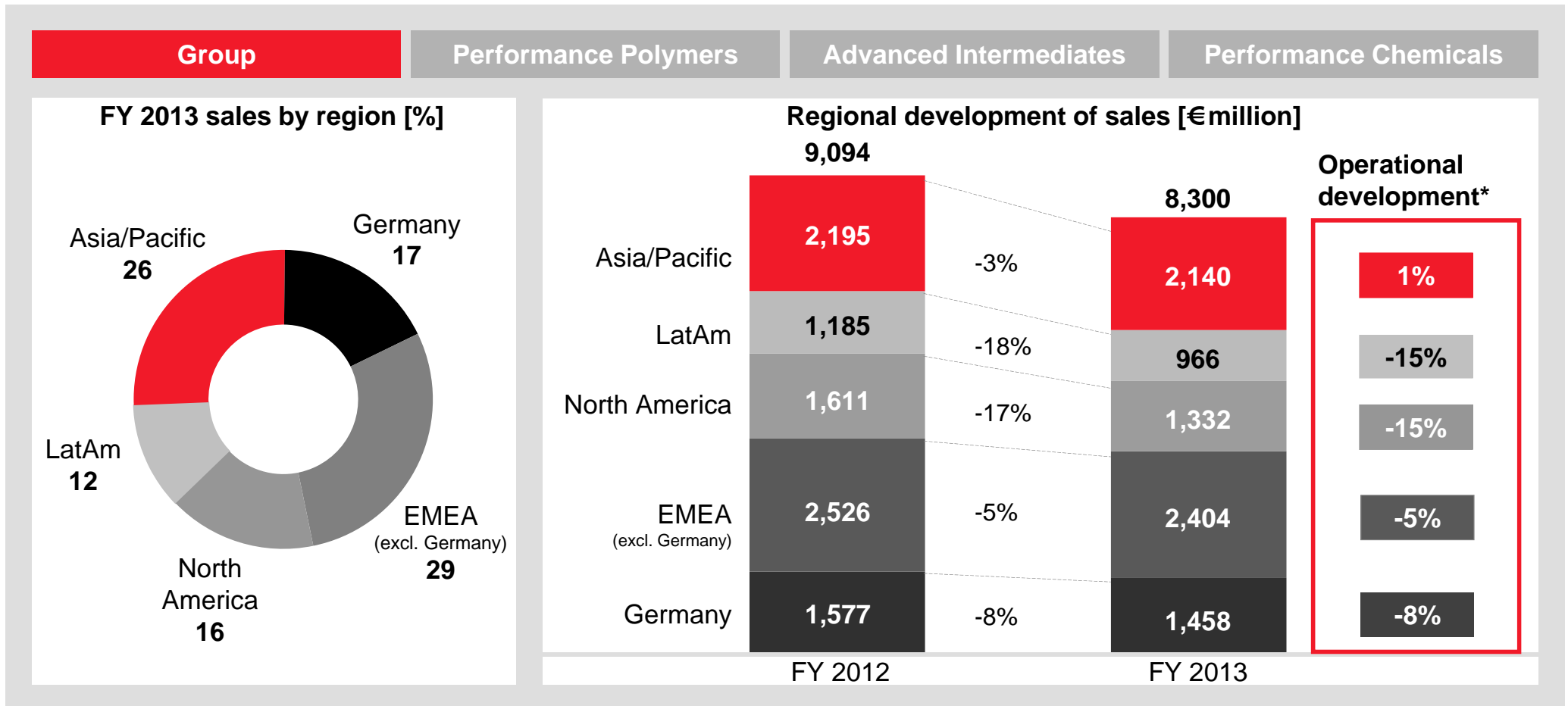
A tough year with one-time burdens reflected in earnings

Group	Performance Polymers			Advanced Intermediates		Performance Chemicals		
	2006	2007	2008	2009	2010	2011	2012	2013
EBITDA pre [€ m]	675	719	722	465	918	1,146	1,223**	735
Net financial debt [€ m]	511	460	864	794	913	1,515	1,483	1,731
Net financial debt / EBITDA pre	0.8x	0.6x	1.2x	1.7x	1.0x	1.3x	1.2x	2.4x
Gearing [%]	36	30	65	55	52	73	64	91
Underlying EPS*	2.69	3.36	3.44	1.31	4.81	6.55	6.44	1.37
Dividend [€]	0.25	1.00	0.50	0.50	0.70	0.85	1.00	0.50***

Growth path ongoing

* EPS pre exceptionals, based on actual taxrate; **2012 restated due to IAS 19 (revised); *** proposal to the Annual Stockholders' Meeting
 Note: Additional financial information available at: <http://lanxess.com/en/corporate/investor-relations/financials/>

FY 2013: All regions affected by weak market environment



* Currency and portfolio adjusted

Performance Polymers: Leading market positions with strong and diversified portfolio (1/2)

Group

Performance Polymers

Advanced Intermediates

Performance Chemicals

Butyl Rubber



Performance Butadiene Rubbers




- One of the world's leading manufacturers of high-quality butyl and halobutyl rubbers, which are impermeable to gas and moisture and are used for the tire (inner liner of radial tires), rubber and pharma industry
- Growth through mobility megatrend
- Competitors*: Exxon, NKNK

- One of the leading manufacturers of synthetic rubber (PBR and SBR) which are used in tread and sidewall of modern, fuel-efficient tires and many other products (e.g. footwear)
- Growth through increasing demand for high performance tires fueled by tire labeling and market trends
- Competitors*: JSR, NKNK, Sibur, Synthos

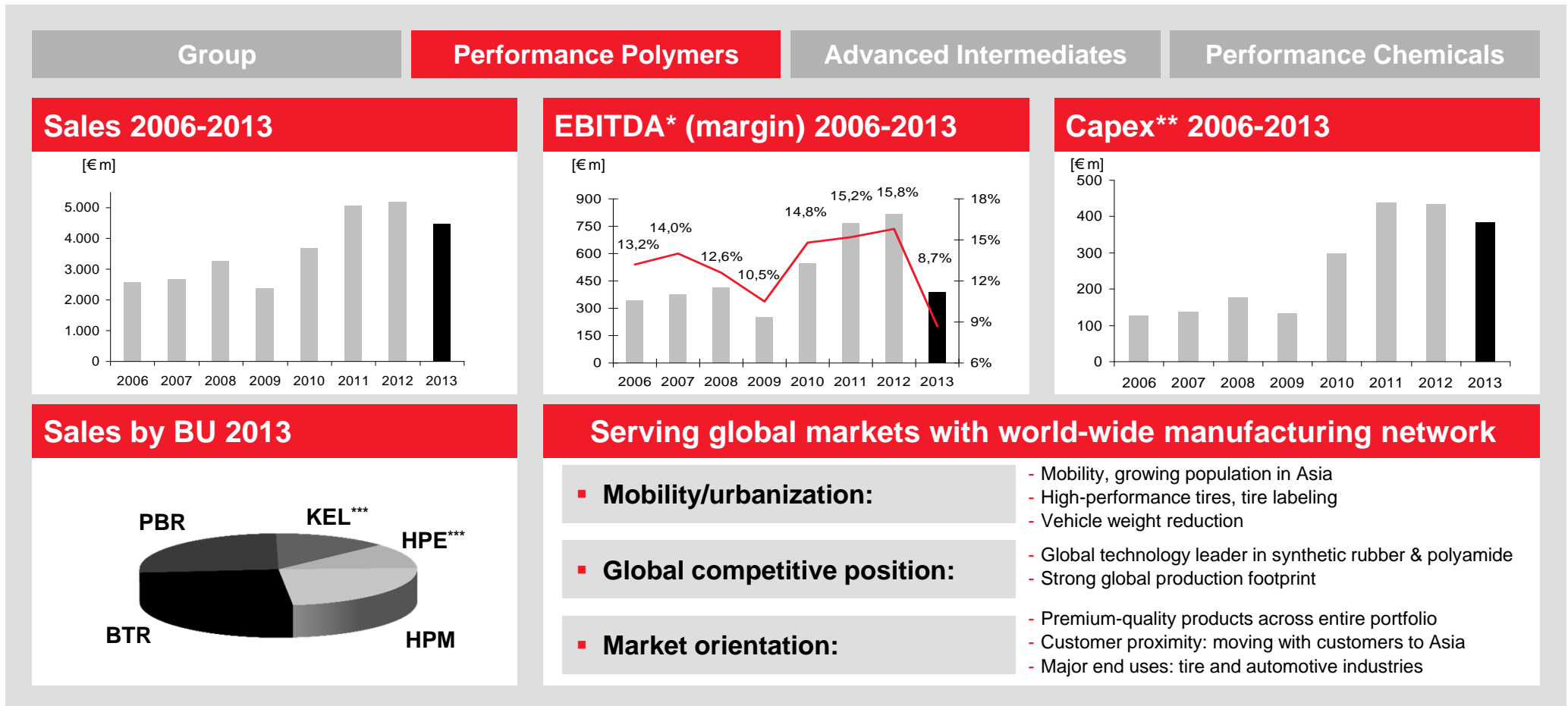
* Selected competitors

Performance Polymers: Leading market positions with strong and diversified portfolio (2/2)

Group	Performance Polymers	Advanced Intermediates	Performance Chemicals
<p>Keltan Elastomers</p> 	<p>High Performance Elastomers</p> 	<p>High Performance Materials</p> 	
<ul style="list-style-type: none">As a major global supplier of EPDM, LANXESS offers reliable, high-quality products for the automotive and construction industryCompetitors*: Dow, Exxon, Kumho	<ul style="list-style-type: none">One of the main global suppliers of synthetic rubber for a wide range of applications (e.g. seals, hoses, profiles, cable sheathing, special films and adhesives)Competitors*: Denki, Versalis	<ul style="list-style-type: none">Provides high-tech plastics for the automotive and consumer industriesGrowth through replacement of steel in structural auto partsCompetitors*: BASF, DSM, DuPont	

* Selected competitors

Performance Polymers – globally number 1-3 in synthetic rubber and polyamide



*pre exceptionals; ** net of capitalized borrowing cost, projects financed by customers and finance lease

*** As of January 1st 2013 BU TRP (Technical Rubber Products) split into BU KEL (Keltan Elastomers) and BU HPE (High Performance Elastomers)

The Advanced Intermediates segment comprises our businesses in intermediates and fine chemicals

Group

Performance Polymers

Advanced Intermediates

Performance Chemicals

Advanced Industrial Intermediates



- One of the world's leading suppliers of high-quality industrial chemicals such as benzenes, toluenes, amines, polyols, thio products and inorganic acids
- Competitive advantage through integrated production network with resilient business in the agro and chemical industry
- Competitors*: BASF, Ineos, Perstorp

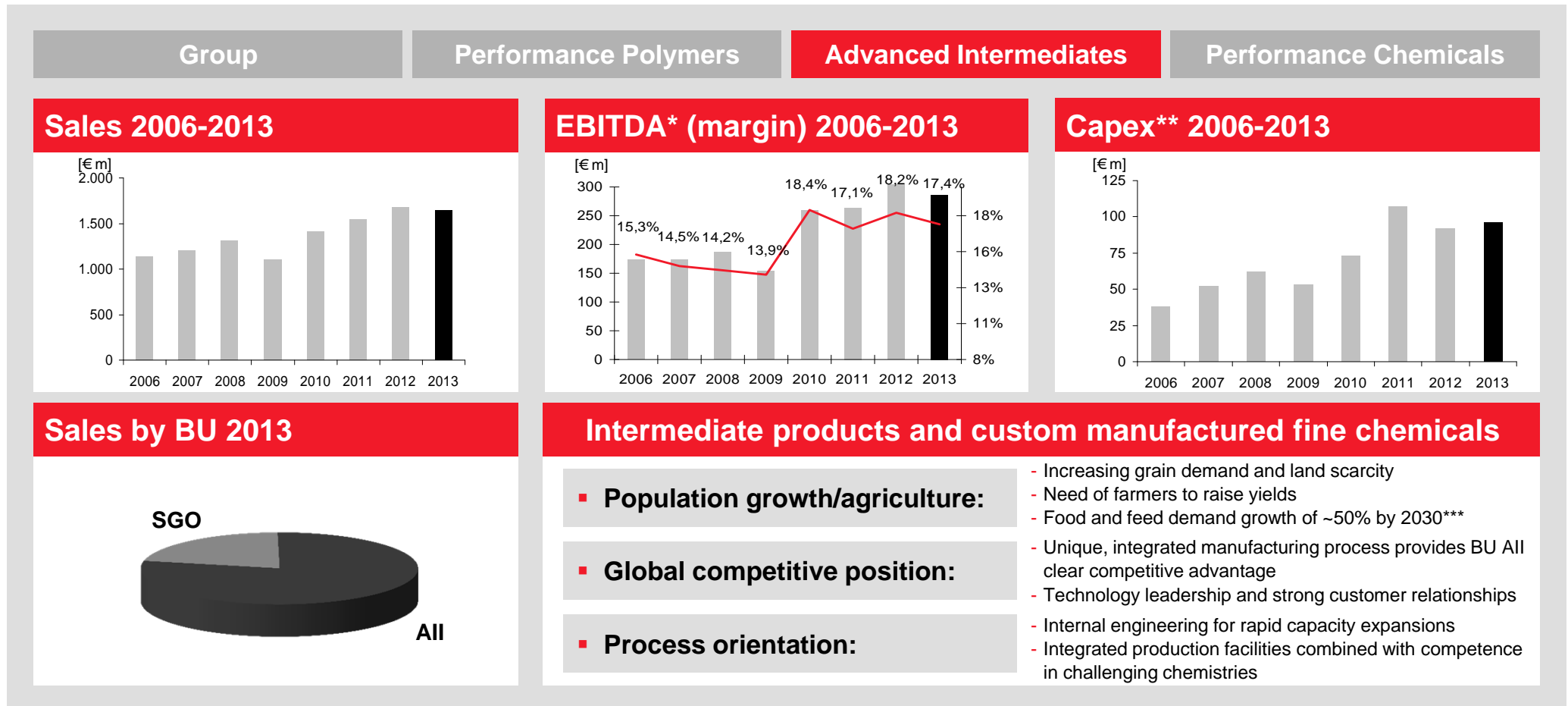
Saltigo



- A major supplier in the custom synthesis market, providing state-of-the-art services to the agrochemicals and specialty chemicals industries
- Growth through food, feed and fuel megatrend through its agrochemical exposure
- Competitors*: DSM, Lonza

* Selected competitors

Advanced Intermediates – number one or two in Europe



* pre exceptionals; ** net of capitalized borrowing cost, projects financed by customers and finance lease

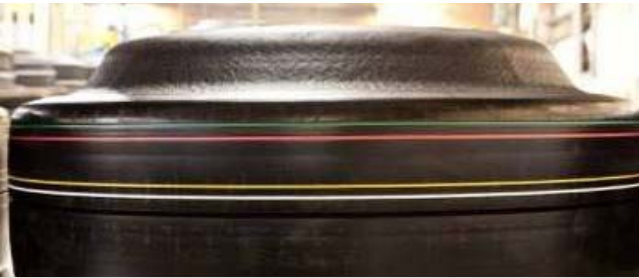
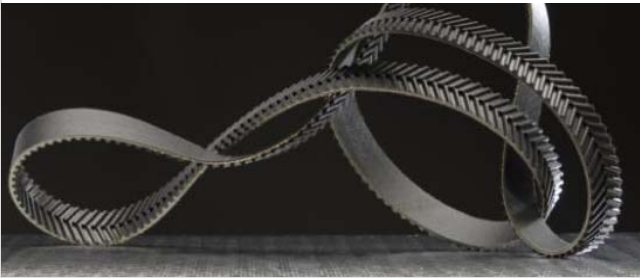

*** Source: Monsanto, July 2010

Performance Chemicals: Production of application-focused chemicals for a wide range of industries (1/2)

Group	Performance Polymers	Advanced Intermediates	Performance Chemicals
<p data-bbox="145 523 584 555">Material Protection Products</p> 	<p data-bbox="719 523 1016 555">Inorganic Pigments</p> 	<p data-bbox="1205 523 1534 555">Functional Chemicals</p> 	<p data-bbox="1816 523 1935 555">Leather</p> 
<ul data-bbox="152 927 584 1241" style="list-style-type: none"> ▪ Wide range of biocide actives and preservatives for beverages, wood protection/antifouling and industrial use ▪ Competitors*: Dow, Lonza 	<ul data-bbox="658 927 1077 1241" style="list-style-type: none"> ▪ A leading global supplier of inorganic pigments for products such as concrete, paints and dyes and special pigments ▪ Competitors*: Rockwood 	<ul data-bbox="1155 927 1574 1241" style="list-style-type: none"> ▪ Offers plastics additives, phosphorous and specialty chemicals, organic and inorganic colorants ▪ Competitors*: BASF, Clariant 	<ul data-bbox="1653 906 2085 1262" style="list-style-type: none"> ▪ Supplier with a complete suit of products for leather processing including tanning agents, preservatives, finishing auxiliaries, dye products ▪ Competitors*: BASF, Stahl

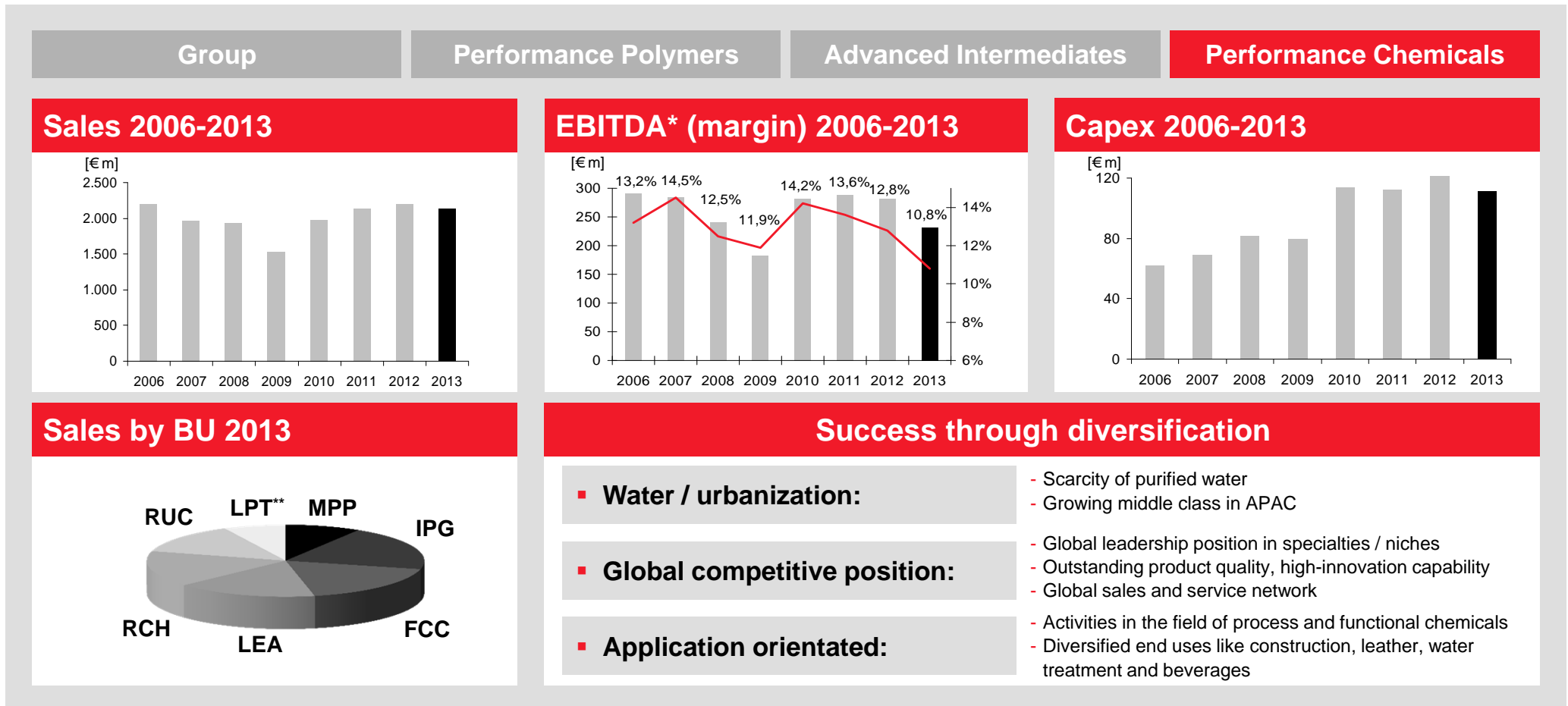
* Selected competitors

Performance Chemicals: Production of application-focused chemicals for a wide range of industries (2/2)

Group	Performance Polymers	Advanced Intermediates	Performance Chemicals
<p data-bbox="333 520 562 552">Rhein Chemie</p> 	<p data-bbox="976 520 1263 552">Rubber Chemicals</p> 	<p data-bbox="1536 520 2047 552">Liquid Purification Technologies**</p> 	
<ul data-bbox="147 970 748 1200" style="list-style-type: none">▪ Global supplier of additives, tire bladders, specialty chemicals and technical services for the rubber, lubricant and plastics industries▪ Competitors*: DOG, Evonik, Lubrizol	<ul data-bbox="819 970 1420 1200" style="list-style-type: none">▪ Full portfolio of rubber chemicals for the tire and technical rubber industries including antidegradants, accelerators and specialties▪ Competitors*: Chemtura, Flexsys	<ul data-bbox="1491 925 2092 1244" style="list-style-type: none">▪ One of the leading producers of ion exchange resins, adsorbers, functional polymers and membranes for the treatment and purification of water and other liquids▪ Competitors*: DOW, Mitsubishi, Purolite	

*Selected competitors; ** As of April 1st 2013 BU ION (Ion Exchange Resins) renamed to BU LPT (Liquid Purification Technologies)

Performance Chemicals – number 1-4 in niche positions



*pre exceptionals; ** As of April 1st 2013 BU ION (Ion Exchange Resins) renamed to BU LPT (Liquid Purification Technologies)

Abbreviations

Performance Polymers

- BTR Butyl Rubber
- PBR Performance Butadiene Rubbers
- KEL* Keltan Elastomers
- HPE* High Performance Elastomers
- HPM High Performance Materials

Performance Chemicals

- MPP Material Protection Products
- IPG Inorganic Pigments
- FCC Functional Chemicals
- LEA Leather
- RCH Rhein Chemie
- RUC Rubber Chemicals
- LPT** Liquid Purification Technologies

Advanced Intermediates

- All Advanced Industrial Intermediates
- SGO Saltigo

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Upcoming events 2014

Active capital market communication

- | | |
|-----------------------|----------------------|
| ▪ FY results 2013 | March 20 |
| ▪ Q1 results 2014 | May 8 |
| ▪ AGM 2014 | May 22 |
| ▪ Q2 results 2014 | August 6 |
| ▪ Capital Markets Day | September 18 Cologne |
| ▪ Q3 results 2014 | November 6 |

For further information on upcoming events, please refer to
<http://lanxess.com/en/corporate/investor-relations/calendar-en/>

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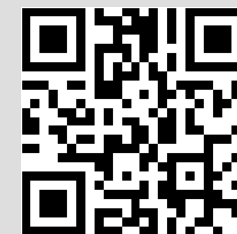
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