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Saudi Aramco and LANXESS to form a global synthetic rubber powerhouse

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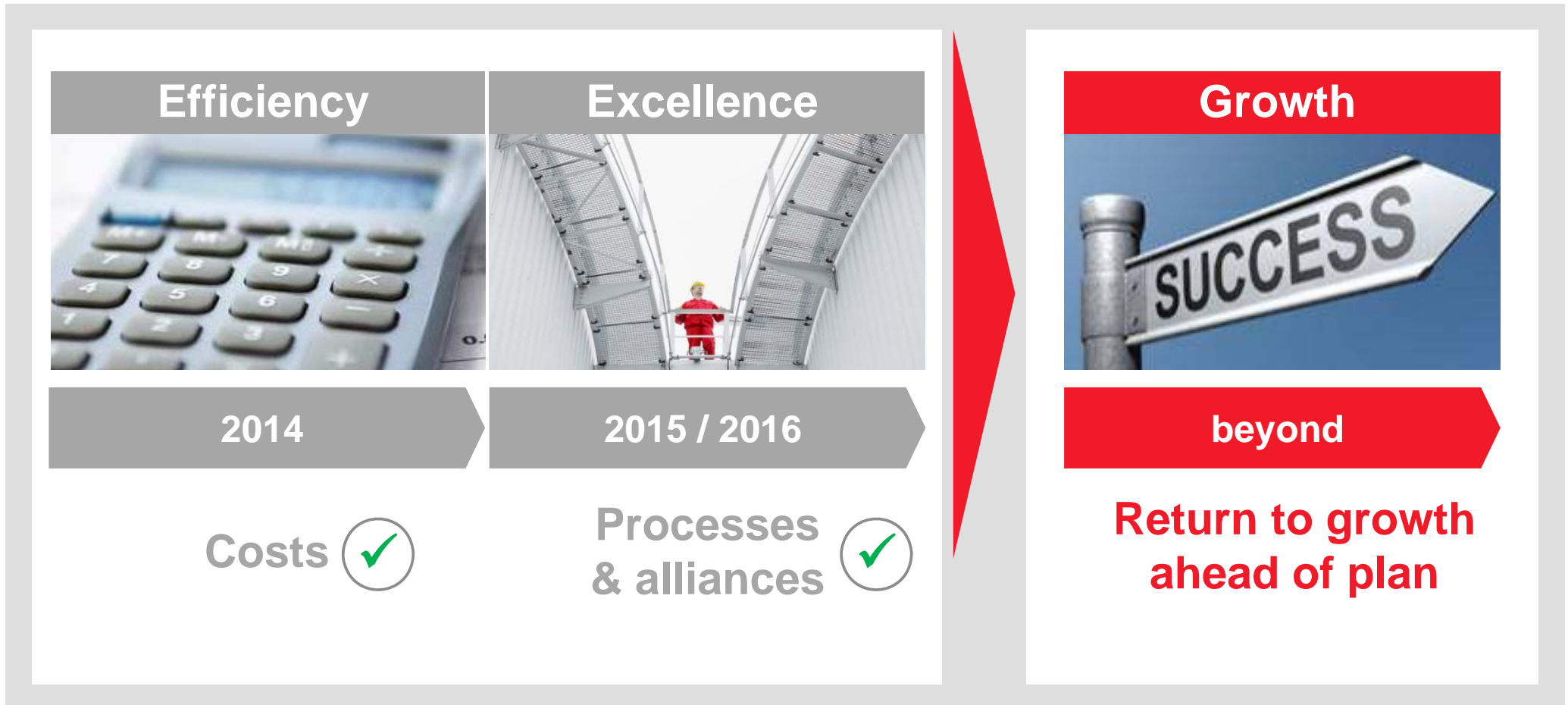
LANXESS
Energizing Chemistry

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LANXESS back on track – delivering on realignment ahead of plan



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

Combination of two powerful partners

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

#1 in feedstock



LANXESS

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

#1 in synthetic rubber

Striking rationale: Broadest synthetic rubber platform to partner with biggest raw material supplier

Backward integration

- Competitive access to feedstock
- JV will solve lack of backward integration



Reduction of volatility

- Reduction of volatility in cash flows will be achieved in the future



Attractive valuation

- EV of stand-alone LANXESS' rubber business: €2.75 bn
- Financial obligations (e.g. debt, pensions) will be deducted from EV, resulting in cash proceeds of ~€1.2 bn for 50% share
- EV/EBITDA* multiple of ~8.6x



Growth upside

- JV partners agreed to use the platform for future organic investments (esp. in Saudi Arabia) and for further transaction opportunities (e.g. M&A)



* Based on FY 2014 results

A powerful partner: Saudi Aramco – the world’s largest energy player extends its business downstream

Company

- Headquarters: Dhahran, Kingdom of Saudi Arabia
- Employees: ~62,000 globally
- State-owned (100%)
- Represented in all major global energy markets

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Business

- World’s largest integrated energy enterprise* - producing 1 in 8 barrels of oil globally
- World’s largest oil production capacity
- World scale integrated chemical complexes
- A world leading producer of natural gas



Downstream commitment

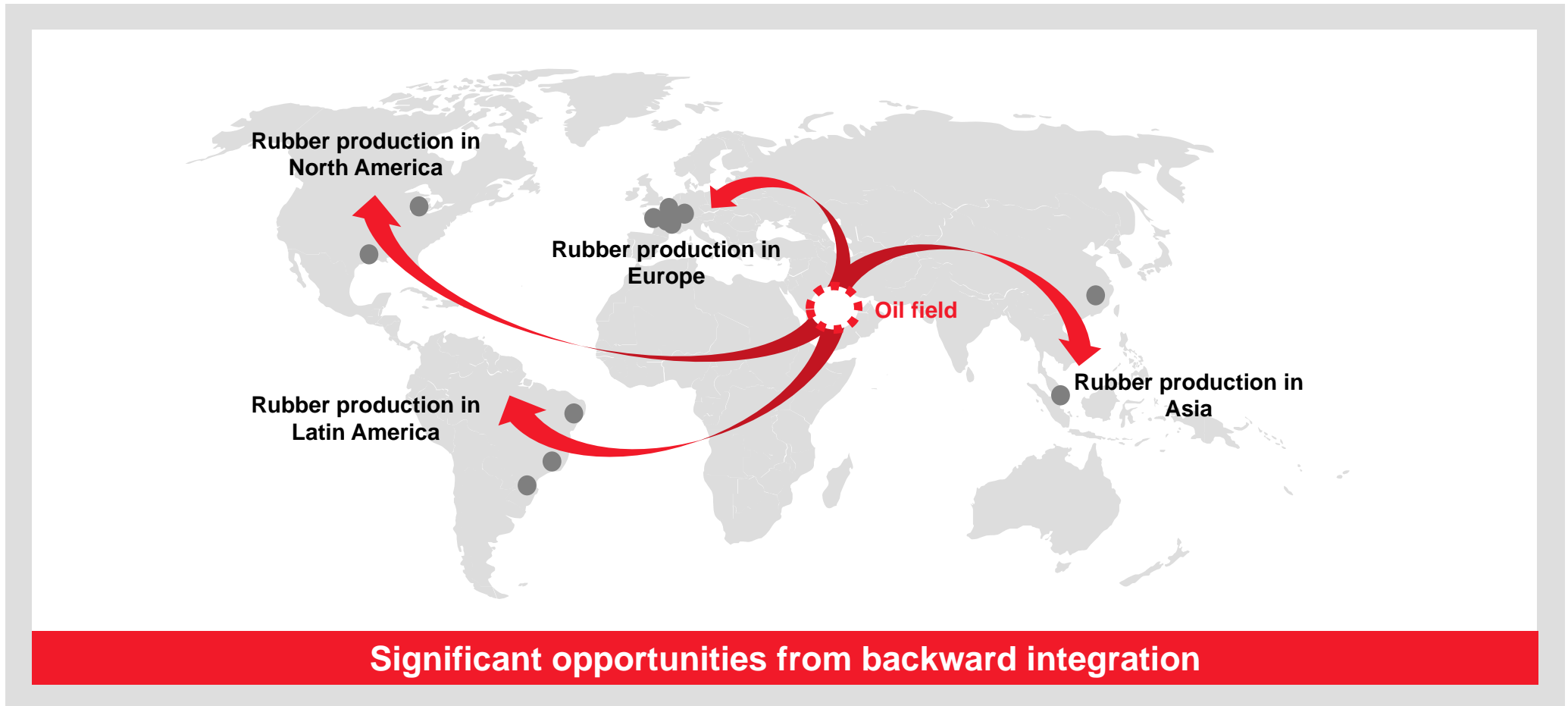
- Powerful partnerships to extend downstream business, e.g.:
 - SATORP (JV with Total) and further expansions
 - Sadara (JV with Dow): Naphtha based chemicals value chain (start up Q3 2015)
 - and further global projects



Saudi Aramco targets to be the world’s leading integrated energy and chemicals company by 2020

* Average crude production of 9.54 million barrels per day (bpd) – with recoverable crude oil & condensate reserves of 261.1 billions of barrels

Value chains will be optimized together over the next 5-10 years



BUs Tire & Specialty Rubbers and High Performance Elastomers to be carved out into joint venture

Scope of Joint Venture

LANXESS

Performance Polymers

Tire & Specialty Rubbers



High Performance Elastomers

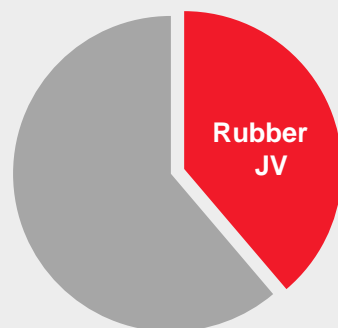


High Performance Materials

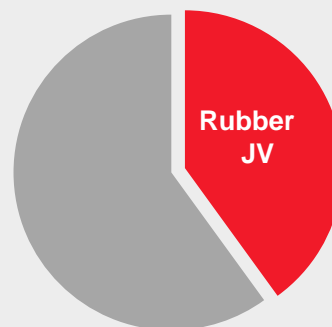
Advanced Intermediates

Performance Chemicals

Sales €3.1 bn*



EBITDA pre ~€320 m*



20 plants, 9 countries



Employees ~3,700**



■ BUs TSR & HPE

■ LANXESS without synthetic rubber business

* FY 2014 for Business Units TSR & HPE including respective service functions; ** employees of Business Units TSR & HPE; concept for central services to TSR and HPE yet to be defined

A leading global supplier of synthetic rubbers for a wide range of applications

Tire & Specialty Rubbers (TSR)



Primarily used in inner liners, treads and sidewalls of modern, fuel-efficient tires as well as non-tire applications

Butyl rubbers ~400kt

PBRs/SBRs >1,000kt

High Performance Elastomers (HPE)



For a wide range of technical applications (e.g. seals, hoses, profiles, cable sheathing, special films and adhesives)

EPDM ~450kt

CR >60kt

(H)/NBR >130kt

EVM ~15kt

* PBR/SBR= Polybutadiene rubber / Styrene butadiene rubber, EPDM = Ethylene Propylene Diene Monomer, (H)NBR= (Hydrated) Nitrile butadiene rubber, CR= Chloroprene rubber, EVM= Ethylene vinyl acetate rubber

LANXESS

Transaction details of Saudi Aramco's and LANXESS' joint venture

Transaction details	
Set-up	<ul style="list-style-type: none">▪ LANXESS contributes rubber business* into JV▪ Saudi Aramco will become supplier of strategic raw materials to the JV mid-term▪ 5-year lock-up period▪ Headquarters in the Netherlands▪ CEO represented by LANXESS and CFO represented by Saudi Aramco
Accounting	<ul style="list-style-type: none">▪ LANXESS to fully consolidate for the first 3 years
Closing	<ul style="list-style-type: none">▪ Subject to antitrust approval▪ Closing expected in H1 2016

* BUs TSR and HPE and certain corporate functions

Transaction financials: Food for thought on valuation

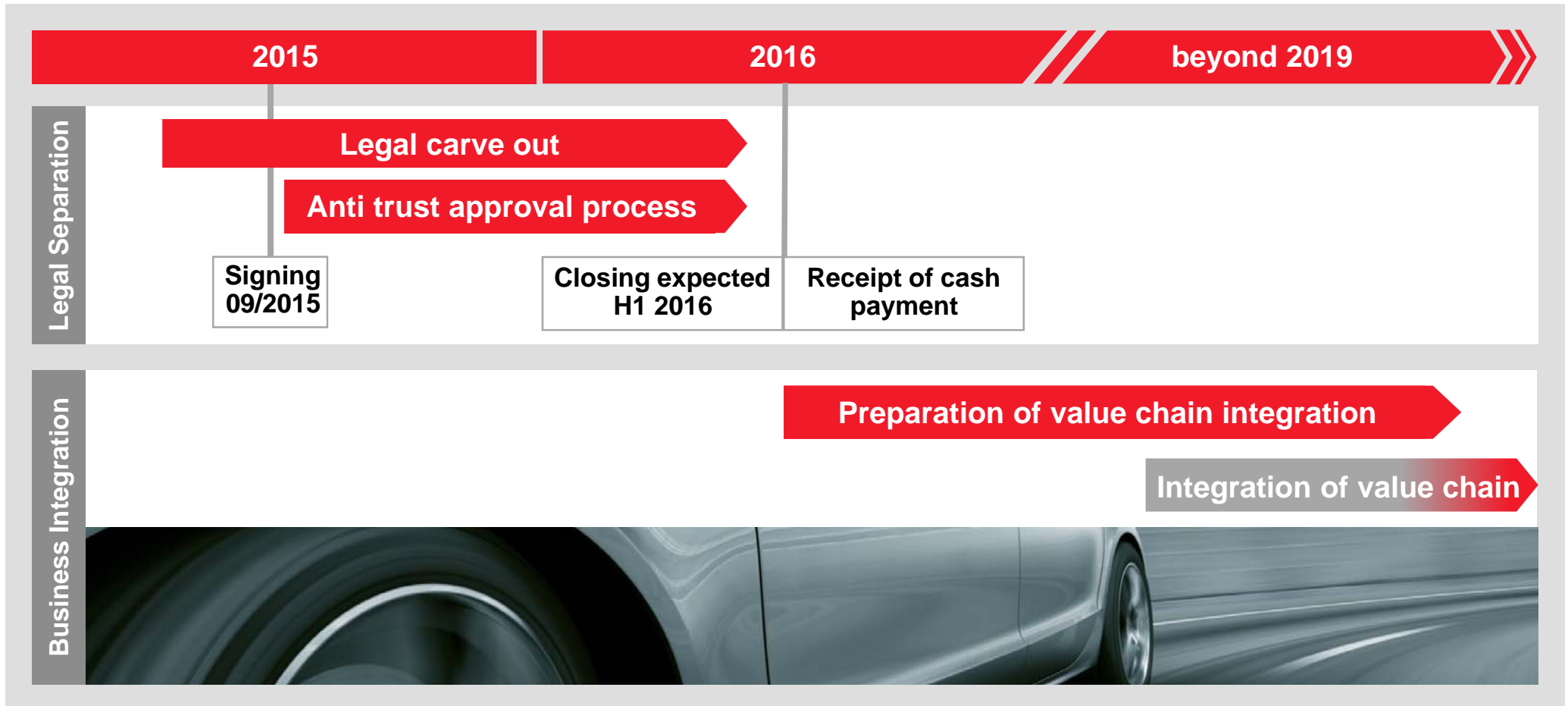
Attractive valuation

- Total enterprise value of €2.75 bn (100%)
- LANXESS receives cash of ~€1.2 bn (for 50% after deduction of debt and pensions)

	Rubber	LANXESS
EV/EBITDA multiple 2014	~8.6x	~7.6x
EV/sales multiple 2014	~0.9x	~0.8x



Swift and decisive execution for sustainable competitiveness

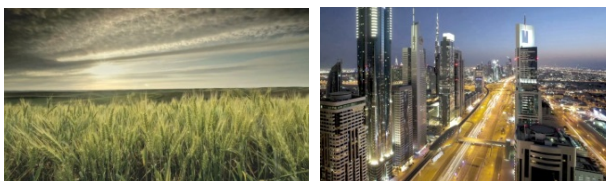


Capital allocation will focus again on growth, debt reduction and shareholder return

Use of proceeds will be allocated to three pillars after receipt of cash

Growth

- Investment in future growth
- Focus on segments Advanced Intermediates and Performance Chemicals



~€400 m

Debt reduction

- Payback of maturing bond in 2016 (~€200 m; coupon 5.5%) and other financial obligations



~€400 m

Share buy-back

- Buy-back program to be initiated



~€200 m

Use of proceeds in line with investment grade commitment

Delivery on third phase of LANXESS realignment

**Rubber JV:
Strengthened
platform with strong
partner**



**Stronger set-up to
weather the next 2-3
years**

**LANXESS:
Acceleration of
transformation**

- **more resilient**
- **less capital intensive**
- **more cash generative**
- **back to financial strength**

Back to growth



End of presentation