

LANXESS plans to sell remaining 50 percent stake in joint venture ARLANXEO to Saudi Aramco

- **Joint venture valued at EUR 3.0 billion**
- **LANXESS plans to reduce financial debt position**
- **CEO Matthias Zachert: “Another milestone on our path of transformation.”**

Specialty chemicals group LANXESS plans to sell its remaining 50 percent stake in ARLANXEO to its joint venture partner Saudi Aramco. The two companies, that founded ARLANXEO in 2016 as a 50:50 joint venture for synthetic rubber, signed a respective agreement today.

The transaction is still subject to approval of the relevant antitrust authorities. At the same time, information or consultation of the competent employee representative bodies will take place. The parties expect to complete the envisaged transaction by the end of 2018.

The total joint venture ARLANXEO is valued at EUR 3.0 billion. LANXESS expects to receive approximately EUR 1.4 billion in cash after deducting debt and other financial liabilities for its 50 percent share.

LANXESS plans to use the proceeds to strengthen its financial basis and reduce net financial debt.

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Page 1 of 3

News Release

Originally, LANXESS and Saudi Aramco agreed on a lock-up period until 2021 for both partners. “With the envisaged transaction we would complete another important milestone of our strategic transformation earlier than originally planned. This should allow us to even better focus on our position as a leading player in mid-sized specialty chemicals markets,” said Matthias Zachert, Chairman of the Board of Management. “At the same time, we increase the resilience of our business, strengthen our financial basis and gain additional strategic flexibility for further growth.”

Headquartered in Maastricht/Netherlands, ARLANXEO generated sales of around EUR 3.2 billion in 2017 and employs about 3,800 people at 20 production sites in nine countries. The company produces high-performance rubber for use in, for example, the automotive and tire industries, the construction industry, and the oil and gas industries.

Back in 2016, the transfer of the business with synthetic rubber into the joint venture ARLANXEO was the foundation for LANXESS’ strategic realignment. Since then LANXESS has been focusing on growth in mid-sized specialty chemicals markets and made various acquisitions in this area – with the takeover of the U.S. chemical company Chemtura in 2017 as the biggest one.

Forward-Looking Statements

This company release contains certain forward-looking statements, including assumptions, opinions, expectations and views of the company or cited from third party sources. Various known and unknown risks, uncertainties and other factors could cause the actual results, financial position, development or performance of LANXESS AG to differ materially from the estimations expressed or implied herein. LANXESS AG does not guarantee that the assumptions underlying such forward-looking statements are free from errors nor does it accept any responsibility for the future accuracy of the opinions expressed in this presentation or the actual occurrence of the forecast developments. No representation or warranty (expressed or implied) is made as to, and no reliance

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LANXESS is a leading specialty chemicals company with sales of EUR 9.7 billion in 2017 and about 19,200 employees in 25 countries. The company is currently represented at 74 production sites worldwide. The core business of LANXESS is the development, manufacturing and marketing of chemical intermediates, additives, specialty chemicals and plastics. LANXESS is listed in the leading sustainability indices Dow Jones Sustainability Index (DJSI World and Europe) and FTSE4Good.

Information for editors:

All LANXESS news releases and their accompanying photos can be found at <http://press.lanxess.com>. Recent photos of the Board of Management and other LANXESS image material are available at <http://photos.lanxess.com>. TV footage can be found at <http://globe360.net/broadcast.lanxess/>.

You can find further information concerning LANXESS chemistry in our WebMagazine at <http://webmagazine.lanxess.com>.

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