

LANXESS raises guidance for 2015 following a strong second quarter

- **New guidance for the full year 2015: EBITDA pre exceptionals expected between EUR 840 million and EUR 880 million**
- **Sales in the second quarter of 2015 rose by around 4 percent to EUR 2.1 billion**
- **EBITDA pre exceptionals increased by 13 percent to EUR 270 million**
- **Net income increased substantially by some 58 percent to EUR 87 million**
- **Carve-out process for the rubber business initiated**

Cologne – Following a strong second quarter, specialty chemicals company LANXESS again raised its guidance for the full year 2015. The company now expects to achieve EBITDA pre exceptionals within a corridor of EUR 840 million and EUR 880 million. It had previously assumed that EBITDA pre exceptionals for the full year would come in at between EUR 820 million and EUR 860 million.

“LANXESS is returning more and more to the right course. In the second quarter of this year, we posted a very good operating result to which all segments of our company contributed,” said Matthias Zachert, Chairman of the Board of Management of LANXESS. “On the basis of these strong figures and the rapid implementation of our realignment program, we assume that our annual result will be higher than previously anticipated.”

Sales improved by 4.3 percent in the second quarter of 2015 to EUR 2.1 billion, compared with EUR 2.0 billion in the prior-year quarter. Higher volumes and positive currency effects more than offset the raw material induced lower selling prices. EBITDA pre exceptionals increased by 13 percent from EUR 239 million to EUR 270 million. This development was driven by increased volumes, savings generated by the realignment, and positive currency effects due to

LANXESS AG

Corporate Communications
50569 Cologne
Germany

Ingo Drechsler
Phone: +49 221 8885-3790
ingo.drechsler@lanxess.com

Rudolf Eickeler
Phone: +49 221 8885-4483
rudolf.eickeler@lanxess.com

Daniela Eltrop
Phone: +49 221 8885-4010
daniela.eltrop@lanxess.com

the strong U.S. dollar. The EBITDA margin pre exceptionals rose accordingly to 12.8 percent, against 11.8 percent in the prior-year quarter.

Net income improved by a substantial 58.2 percent to EUR 87 million from EUR 55 million a year earlier. Operational development and proceeds from the sale of noncurrent assets contributed to this increase.

Capital expenditures significantly reduced

At around EUR 1.4 billion, net financial liabilities were almost at the same level as at the end of 2014. Following the completion of major projects in Asia, capital expenditures declined by more than half in the second quarter against the prior-year quarter from EUR 154 million to EUR 73 million. "The financial consolidation measures we have implemented as part of our realignment process are taking effect," said LANXESS CFO Michael Pontzen. "This development was recently rewarded by the rating agencies Moody's and Standard & Poor's when both confirmed our investment-grade rating with stable outlook."

Business development by segment

Higher volumes, positive currency effects and raw material induced lower prices characterized business development in the **Performance Polymers** segment and resulted overall in sales of around EUR 1.1 billion. This represents an increase of 3.5 percent against the prior-year figure of around EUR 1 billion. EBITDA pre exceptionals for this segment climbed by 22.1 percent to EUR 149 million, compared with EUR 122 million in the second quarter of 2014.

In light of continued good demand in almost all customer markets, sales of the **Advanced Intermediates** segment advanced by 3.1 percent from EUR 454 million to EUR 468 million. EBITDA pre

LANXESS AG

Corporate Communications
50569 Cologne
Germany

Ingo Drechsler
Phone: +49 221 8885-3790
ingo.drechsler@lanxess.com

Rudolf Eickeler
Phone: +49 221 8885-4483
rudolf.eickeler@lanxess.com

Daniela Eltrop
Phone: +49 221 8885-4010
daniela.eltrop@lanxess.com

exceptionals for this segment came to EUR 80 million, 2.6 percent higher than the prior-year level of EUR 78 million.

The **Performance Chemicals** segment also saw very good performance for the quarter, with sales rising by 6.8 percent to EUR 553 million after EUR 518 million a year earlier. EBITDA pre exceptionals advanced by a substantial 35.8 percent from the prior-year level of EUR 81 million, to EUR 110 million. Low raw material prices during the reporting period, positive currency effects and savings especially contributed to this improvement in earnings.

Realignment remains fully on schedule

The three-phase realignment program initiated by LANXESS last year continues to progress on schedule. The company has already successfully implemented the first phase. Measures of the second phase, aimed at improving operational competitiveness, have also been initiated. They include the reorganization of the production networks for its rubber types EPDM (ethylene propylene diene monomer) and Nd-PBR (neodymium-based performance butadiene rubber).

The third phase of the program is focused on improving the competitiveness of the business portfolio, especially through potential alliances in the rubber business. "In this connection, we are currently engaged in very constructive discussions and assume that we will achieve concrete results in the course of the second half of the year," said Zachert.

LANXESS has initiated a carve-out process to transfer its rubber business to a legally independent business entity within the LANXESS Group. "In this way, we are creating the conditions that will enable us to bring the rubber business into an alliance," continued Zachert. The new entity is supposed to comprise the Tire & Specialty Rubbers (TSR) and High Performance Elastomers (HPE) business

LANXESS AG

Corporate Communications
50569 Cologne
Germany

Ingo Drechsler
Phone: +49 221 8885-3790
ingo.drechsler@lanxess.com

Rudolf Eickeler
Phone: +49 221 8885-4483
rudolf.eickeler@lanxess.com

Daniela Eltrop
Phone: +49 221 8885-4010
daniela.eltrop@lanxess.com

units, with their 20 production facilities and some 3,700 employees as well as supporting administrative functions.

Q2 2015 Key Data

(Figures in EUR million)

	Q2 2014	Q2 2015	Change in percent
Sales	2,019	2,105	4.3
EBITDA before special items	239	270	13.0
EBITDA margin pre exceptionals (percent)	11.8	12.8	
Net income	55	87	58.2
Earnings per share (EUR)	0.63	0.95	50.8

LANXESS is a leading specialty chemicals company with sales of EUR 8.0 billion in 2014 and about 16,300 employees in 29 countries. The company is currently represented at 52 production sites worldwide. The core business of LANXESS is the development, manufacturing and marketing of plastics, rubber, intermediates and specialty chemicals. LANXESS is a member of the leading sustainability indices Dow Jones Sustainability Index (DJSI World and DJSI Europe) and FTSE4Good.

Cologne, August 6, 2015
eic (2015-00037e)

Forward-Looking Statements

This news release may contain forward-looking statements based on current assumptions and forecasts made by LANXESS AG management. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.

Information for editors:

All LANXESS news releases and the accompanying photos can be found at <http://media.lanxess.com>. Recent photos of the Board of Management and other LANXESS image material are available at <http://photos.lanxess.com>. The latest TV footage, audio files and podcasts can be found at <http://multimedia.lanxess.com>.

LANXESS AG

Corporate Communications
50569 Cologne
Germany

Ingo Drechsler
Phone: +49 221 8885-3790
ingo.drechsler@lanxess.com

Rudolf Eickeler
Phone: +49 221 8885-4483
rudolf.eickeler@lanxess.com

Daniela Eltrop
Phone: +49 221 8885-4010
daniela.eltrop@lanxess.com

News Release

Read more about LANXESS chemistry in our WebMagazine at
<http://webmagazine.lanxess.com>.

Follow us on Twitter, Facebook, Instagram, LinkedIn, YouTube and Xing:

<http://www.twitter.com/lanxess>

<http://www.facebook.com/LANXESS>

<http://www.instagram.com/lanxess>

<http://www.linkedin.com/company/lanxess>

<http://www.youtube.com/lanxess>

<https://www.xing.com/companies/lanxess>

LANXESS AG

Corporate Communications
50569 Cologne
Germany

Ingo Drechsler

Phone: +49 221 8885-3790

ingo.drechsler@lanxess.com

Rudolf Eickeler

Phone: +49 221 8885-4483

rudolf.eickeler@lanxess.com

Daniela Eltrop

Phone: +49 221 8885-4010

daniela.eltrop@lanxess.com