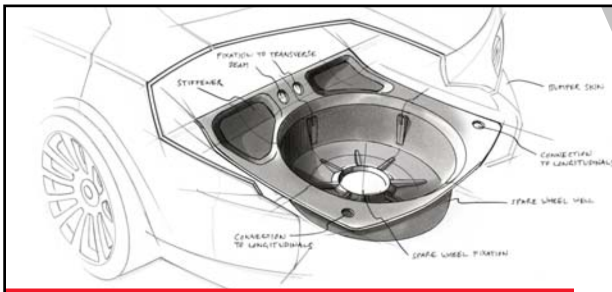

LANXESS – Q1 2013 Results Conference Call

A weak start to a challenging year

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Agenda

- **Executive overview Q1 2013**
- Business and financial review Q1 2013
- Outlook / Guidance

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Q1 2013: Addressing a disappointing start of the year

+	▪ Conversion from ESBR to SSBR production started (BR); shift towards high-performance rubber ▪ New leather chemical and CO_2 plant fully on track (CN/ZA)	**Staying focused**
-	▪ Responding to ongoing weak demand in Polymers: modulation of “price-before-volume” strategy implemented ▪ Substantially lower price levels in general purpose products ▪ Continued customer destocking in most markets ▪ Scheduled one-offs weigh on EBITDA: ramp-up costs (SG) and technology upgrade for EPDM (NL)	**Currently poor market conditions in most businesses**
!	▪ Flexible asset and cost management to mitigate impact of low demand in tire/OEM (shutdowns in Butyl and EPDM) ▪ Strengthening competitiveness in Performance Chemicals ▪ Reduction of capex budget to ~€600 m	**Proven measures initiated**

All references to EBITDA are pre exceptionals

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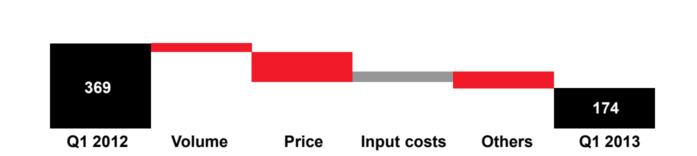
Muted demand and reduced pricing levels mainly in Performance Polymers

Q1 yoy sales variances	Price	Volume	Currency	Portf.	Total
Perf. Polymers	-11%	-7%	-1%	0%	-18%
Adv. Intermediates	4%	-3%	0%	0%	1%
Perf. Chemicals	0%	-6%	-1%	1%	-7%
LANXESS	-6%	-6%	-1%	0%	-12%

- Weak demand leads to volume declines and lower price levels in Polymers
- Advanced Intermediates proves stability and resilience; strong demand from agro markets

Q1 yoy EBITDA pre bridge [€ m]



- Modulation of "price-before-volume" strategy in poor market environment
- "Others" contains idle costs from low utilization, start-up burden and currency effects

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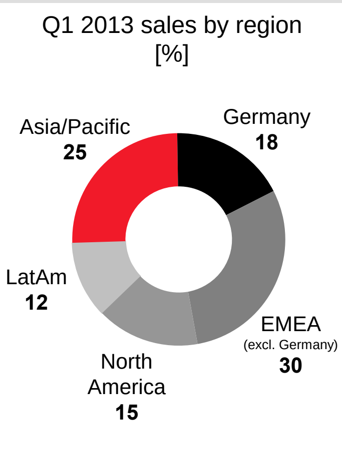
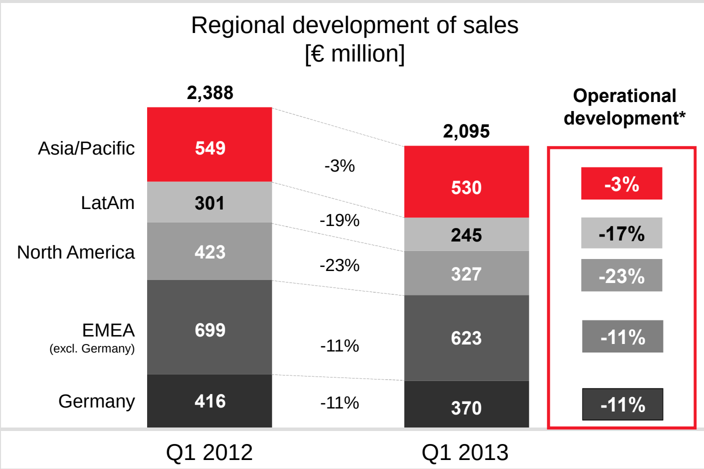
Q1 2013: Globally weaker demand – Asia/Pacific comparably robust





* Currency and portfolio adjusted

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Q1 2013 financial overview: Key metrics reflect challenging macro environment

[€ m]	Q1 2012	Q1 2013	yoy in %
Sales	2,388	2,095	-12.3%
EBITDA pre except.	369	174	-52.8%
margin	15.5%	8.3%	
EPS	2.31	0.30	-87%
Capex*	92	93	1.1%
[€ m]	**31.12.2012**	**31.03.2013**	**Δ %**
Net financial debt	1,483	1,787	20.5%
Net working capital	1,849	2,175	11.6%
Employees	17,177	17,381	1.2%

- Sales decrease due to lower volumes, prices and adverse currency effects
- EBITDA and margin decrease due to lower pricing levels and volumes as well as related idle costs
- EPS decline affected by risen D&A
- Net financial debt increases on the back of weak operating results and increased working capital

Exceptionally weak start of the year

2012 restated due to IAS 19 (revised)
* Net of capitalized borrowing costs, finance lease and projects financed by customers

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Q1 2013: P&L impacted by exceptionally weak start of the year

[€ m]	Q1 2012		Q1 2013		yoy in %
Sales	2,388	(100%)	2,095	(100%)	-12%
Cost of sales	-1,796	(75%)	-1,700	(81%)	-5%
Selling	-186	(8%)	-189	(9%)	2%
G&A	-72	(3%)	-79	(4%)	10%
R&D	-45	(2%)	-48	(2%)	7%
EBIT	**277**	**(12%)**	**67**	**(3%)**	**-76%**
Net Income	**192**	**(8%)**	**25**	**(1%)**	**-87%**
EPS	**2.31**		**0.30**		**-87%**
EBITDA	365	(15%)	169	(8%)	-54%
thereof exceptionals	-4	(0%)	-5	(0%)	25%
EBITDA pre exceptionals	**369**	**(15.5%)**	**174**	**(8.3%)**	**-53%**

- Sales decline as volumes (-6%) and prices (-6%) decrease in a poor market environment, currency slightly negative (-1%)
- COGS increase relatively due to higher D&A, ramp-up costs (~€20 m) and increased headcount
- SG&A increase on storage costs, portfolio effects, salary inflation and projects
- All metrics reflect low demand levels

Impact from subdued demand clearly visible

2012 restated due to IAS 19 (revised)

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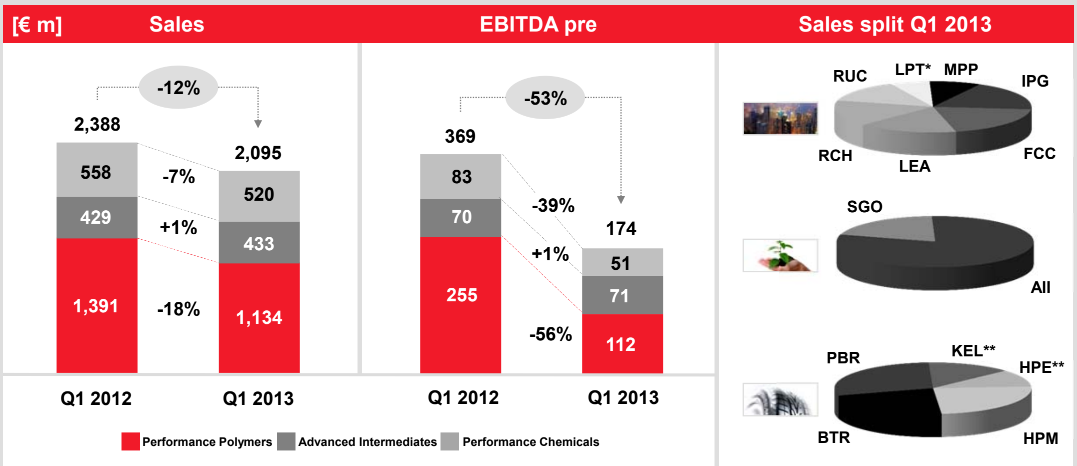
Q1 2013: Sales and EBITDA decline across most businesses



Total group sales and EBITDA pre figures include reconciliation
* As of April 1st 2013 BU ION (Ion Exchange Resins) renamed to BU LPT (Liquid Purification Technologies)
** As of January 1st 2013 BU TRP (Technical Rubber Products) split into BU KEL (Keltan Elastomers) and BU HPE (High Performance Elastomers)

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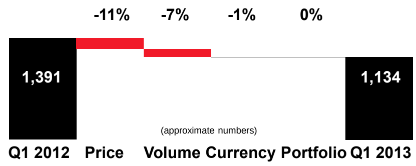
Performance Polymers: A quarter with poor demand – volume declines and drop in price levels

[€ m]	Q1 2012	Q1 2013	Δ
Sales	**1,391**	**1,134**	**-18.5%**
EBIT	206	52	-74.8%
Depr. / Amort.	48	60	25.0%
EBITDA pre exceptionals	**255**	**112**	**-56.1%**
Margin	18.3%	9.9%	
Capex*	**63**	**58**	**-7.9%**

Q1 comments

- Lower price levels across all BUs; raw-material-driven price declines in BUs PBR and HPE (lower butadiene prices yoy)
- Volume declines in almost all BUs due to continued destocking, poor tire demand and European OEM weakness
- BU HPM with positive volumes from high-tech-plastics in Asia and Americas, but burdened by weak Caprolactam business
- Ramp-up costs (~€20 m), technology upgrade for Keltan ACE (~€10 m) and idle costs burden earnings and margin

Q1 sales bridge yoy [€ m]



* Net of capitalized borrowing costs and projects financed by customers

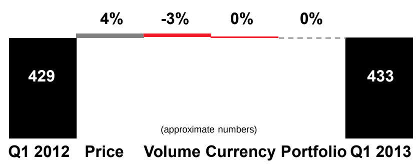
Advanced Intermediates: Solid profitability driven by agro

[€ m]	Q1 2012	Q1 2013	Δ
Sales	**429**	**433**	**0.9%**
EBIT	54	54	0.0%
Depr. / Amort.	16	17	6.3%
EBITDA pre exceptionals	**70**	**71**	**1.4%**
Margin	16.3%	16.4%	
Capex*	**15**	**19**	**26.7%**

Q1 comments

- Price increase mainly in BU AII, more than offsetting higher benzene prices
- BU AII with lower volumes from paints/construction industry but high utilization from aromatic network and benzyl products, due to good demand from agro and flavour & fragrances
- Capex increases due to new projects in BU SGO; implementation throughout the year as demand levels from agro customers remain strong

Q1 sales bridge yoy [€ m]



* Net of capitalized borrowing costs, finance leases and projects financed by customers

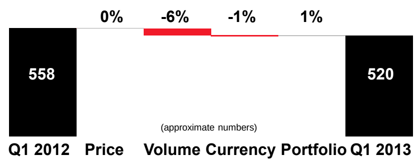
Performance Chemicals: Lower volumes and related idle costs burden EBITDA

[€ m]	Q1 2012	Q1 2013	Δ
Sales	**558**	**520**	**-6.8%**
EBIT	62	29	-53.2%
Depr. / Amort.	21	21	0.0%
EBITDA pre exceptionals	**83**	**51**	**-38.6%**
Margin	14.9%	9.8%	
Capex*	**11**	**19**	**72.7%**

Q1 comments

- Stable prices as price increases in several BUs offset decreases in BU FCC (phosphor chemicals) and BU LEA (chrome ore)
- Volume decline driven by BU IPG (late start of construction in Europe and US), BU LEA (CO_2 instability) and BU MPP
- Lower volumes in BUs RCH and RUC (weak tire markets)
- EBITDA burdened by lower utilization rates; related idle costs
- Capex increases due to CO_2 facility in South Africa (BU LEA) and growth projects in China (BUs LEA and IPG)

Q1 sales bridge yoy [€ m]



* Net of capitalized borrowing costs and projects financed by customers

Q1 2013 results burden balance sheet KPIs

[€ m]	Dec 2012	Mar 2013	Δ
Total assets/liabilities	7,519	7,603	1%
Equity	2,330	2,386	2%
Equity ratio	**31%**	**31%**	
Net financial debt	1,483	1,787	20%
Net financial debt/EBITDA	**1.21**	**1.73**	
Near cash, cash & cash equivalents	797	529	-34%
Pension provisions	893	915	2%
ROCE	**15.6%**	**11.5%**	
Net Working capital	1,849	2,175	18%
Net Working capital / sales	**20%**	**25%**	
DSI (in days)*	65	71	9%
DSO (in days)*	47	53	13%

- Net financial debt increases due to higher working capital and weak operational results
- Net financial debt/EBITDA increases with both lower EBITDA and higher net debt
- Higher inventories due to weak demand level in Q1 2013
- Increased DSO: Receivables increase as sales in March 2013 are up vs December 2012

* Days of Sales Inventory / Days of Sales outstanding calculated on quarterly sales
2012 restated due to IAS 19 (revised)

Q1 2013: Poor results weigh on operating cash flow

[€ m]	Q1 2012	Q1 2013
Profit before tax	**247**	**31**
Depreciation & amortization	88	102
Gain from sale of assets	0	0
Result from equity investments	-3	0
Financial (gains) losses	24	25
Cash tax payments / refunds	-3	-34
Changes in other assets and liabilities	20	1
Operating cash flow before changes in WC & CTA	**373**	**125**
Changes in working capital	-244	-285
CTA funding*	0	0
Operating cash flow	**129**	**-160**
Investing cash flow	**9**	**144**
thereof capex**	-92	-93
Financing cash flow	**17**	**-19**

- Lower business performance leads to reduced profit before tax
- D&A increases as new assets come on stream
- Higher receivables and inventory levels (volume driven) increase working capital
- Operating cash flow burdened from low earnings and higher working capital
- Investing cash flow includes release of near cash assets

* CTA (Contractual Trust Arrangement) funding formerly shown in investing cash flow
** Net of capitalized borrowing cost , finance lease and projects financed by customers

2012 restated due to IAS 19 (revised)

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A tough start of the year – muted expectations for FY 2013

Current macro view – ongoing uncertainty due to low visibility

- Overall customer demand remains at low levels, only slightly improving in Q2
- No substantial improvement of economic environment and low visibility persisting
- Customer destocking expected to slow down in Q2; inventories remain tightly managed
- Slight growth in the U.S., Europe remains weak, Asia expected to pick up in H2

LANXESS expects a challenging year 2013

- Demand fluctuations managed in-house: flexible asset and cost management implemented
- “Price-before-volume” strategy continues despite ongoing poor demand and market price pressure: Q2 EBITDA pre improving sequentially, but not better than ~€220 m
- We see EBITDA pre below €1 bn in 2013
- We expect a pick-up in demand in H2 2013

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Appendix

Housekeeping items for consideration

Additional financial expectations

▪ Capex 2013:	reduced to ~€600 m
▪ D&A 2013:	~€420 - €440 m
▪ Reconciliation 2013:	~€200 m mainly as R&D activities increase
▪ Exceptional items Q2 2013:	mid double-digit € million amount
▪ Annual tax rate:	- mid-term: ~22% - short-term: depending on regional profit contribution and respective tax regimes – tax rate may increase
▪ Hedging 2013: Hedging 2014:	~50% at 1.25 -1.35 USD / EUR ~30% at 1.25 -1.35 USD / EUR
▪ IAS 19 revised; impact in 2013:	- operational result: low single-digit € million amount - financial result: low single-digit € million amount

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Balance sheet proves strong backbone

[€ m]	Mar'12	Dec '12	Mar'13
Non-current assets	**3,496**	**3,747**	**3,849**
Intangible assets	365	390	399
Property, plant & equipment	2,676	2,994	3,084
Equity investments	15	8	0
Other investments	31	18	22
Other financial assets	71	8	7
Deferred taxes	212	211	219
Other non-current assets	126	118	118
Current assets	**3,645**	**3,772**	**3,754**
Inventories	1,446	1,527	1,641
Trade accounts receivable	1,301	1,117	1,244
Other financial & current assets	338	331	340
Near cash assets	227	411	176
Cash and cash equivalents	333	386	353
Total assets	**7,141**	**7,519**	**7,603**

	Mar'12	Dec '12	Mar'13
Stockholders' equity	**2,225**	**2,330**	**2,386**
Non-current liabilities	**2,824**	**3,559**	**3,629**
Pension & post empl. provis.	750	893	915
Other provisions	313	304	304
Other financial liabilities	1,535	2,167	2,200
Tax liabilities	60	35	35
Other liabilities	88	78	97
Deferred taxes	78	82	78
Current liabilities	**2,092**	**1,630**	**1,588**
Other provisions	491	440	478
Other financial liabilities	604	167	191
Trade accounts payable	755	795	710
Tax liabilities	64	45	31
Other liabilities	178	183	178
Total equity & liabilities	**7,141**	**7,519**	**7,603**

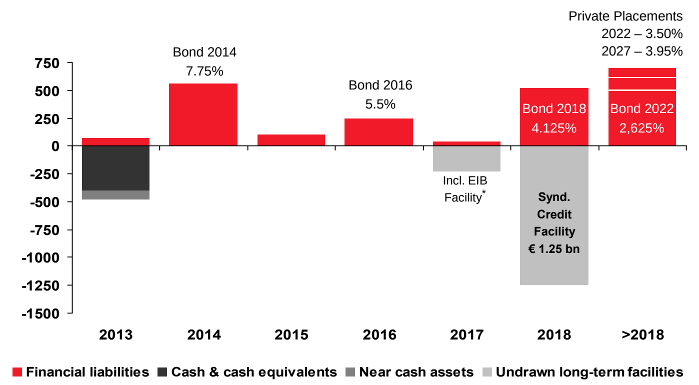
- Inventories increase due to weak demand in Q1 2013
- Trade accounts receivables increase sequentially as March 2013 sales higher compared to sales in December 2012
- Other financial liabilities reduced mainly due to the scheduled repayment of the €400 m bond in June 2012

A well managed and conservative maturity profile

Long term financing secured

- Well balanced maturity profile
- Diversified financing sources
  - Bonds
  - Private placements
  - Syndicated credit facility
  - Development banks
  - Bilateral bank facilities
- €1.25 bn RCF and €200 m credit facility with EIB* undrawn

Liquidity and maturity profile as per March 2013



* European Investment Bank; final maturity of EIB financing in case of utilization in 2017 or later; EIB facility currently undrawn

Premium products and technologies for global megatrends

Mobility

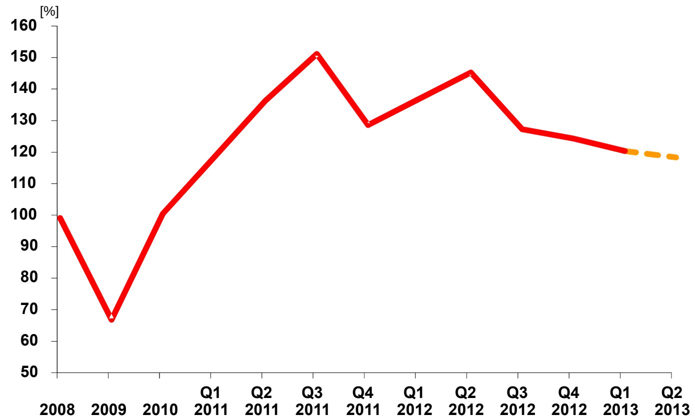
Urbanization

Agriculture

Water

High volatility among raw materials

Global raw materials index*



- Raw material prices have increased since start of 2009
- Feedstock prices show a sharp decline in H2 2011
- Since the start of 2012, raw material prices (mainly butadiene) increased again; reversing in Q2 2012
- For Q2 2013 raw materials prices expected to remain volatile but on a comparable level

LANXESS committed to "price-before-volume" strategy

* Source: LANXESS, average 2008 = 100%

Overview exceptional items Q1 2012 and Q1 2013

[€ m]	Q1 2012		Q1 2013	
	Exceptional	thereof D&A	Exceptional	thereof D&A
Performance Polymers	1	0	0	0
Advanced Intermediates	0	0	0	0
Performance Chemicals	0	0	1	0
Reconciliation	3	0	4	0
Total	**4**	**0**	**5**	**0**

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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

- AII Advanced Industrial Intermediates
- SGO Saltigo

* As of January 1st 2013 BU TRP 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

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Upcoming events

2013		
Deutsche Bank German Swiss & Austrian Conference	May 14/15	Frankfurt
Deutsche Bank 4th Annual Asia Conference 2013	May 20/21	Singapore
AGM 2013	**May 23**	**Cologne**
Oddo Securities Canada Conference	May 28/29	Montreal/Toronto
Morgan Stanley Sustainable and Responsible Investment Day	June 6	London
Goldman Sachs European Chemicals 2020	June 18/19	London
MainFirst Chemical One-on-One Forum	June 27	Frankfurt
Q2 results 2013	**August 6**	
Jefferies 2013 Gobal Industrial Conference	August 14	New York
Commerzbank Chemicals & Life Science Conference	August 27	Frankfurt
Analyst Roundtable 2013	**September 19**	**Cologne**
Berenberg / Goldman Sachs German Corporate Conference 2013	September 23/24	Munich
Baader Investment Conference	September 25	Munich
Berenberg Chemicals Conference	October 1	London
Q3 results 2013	**November 12**	
Morgan Stanley Global Chemicals Conference	November 14	Boston

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