



LANXESS Q1 2013 Financial Summary for Investors and Analysts

Summary Q1 2013

Weak start to fiscal 2013

Sales down by 12.3% with declines in all regions

Earnings impacted by lower prices and declining volumes

EBITDA pre exceptionals down sharply from €369 million to €174 million

EBITDA margin 8.3% vs. 15.5% for same period of last year

Net income and earnings per share well below prior-year quarter at €25 million and €0.30, respectively

Net financial liabilities higher at €1,787 million

Q2 EBITDA pre seen improving sequentially, but not better than ~€220 m

Outlook: demand to improve in the second half;

EBITDA pre exceptionals for 2013 expected to come in below €1 billion

Capital expenditure guidance for 2013 reduced to about €600 million

LANXESS AG

Investor Relations
51369 Leverkusen
Germany

Oliver Stratmann, Head of IR
Phone +49 214 30-49611
Fax +49 214 30-959-49611
Oliver.Stratmann@lanxess.com

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Overview Financials

Q1 Financial Overview

P&L impacted by exceptionally weak start of the year

Sales decline as volumes (-6%) and prices (-6%) decrease in a poor market environment, currency slightly negative (-1%)

COGS increase in relation to sales 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

EBITDA and margin decrease due to lower pricing levels and volumes as well as related idle costs

EPS decline affected by risen D&A

All metrics reflect low demand levels

Impact from subdued demand clearly visible

Q1 2013 Balance Sheet:

Q1 2013 results burden balance sheet KPIs

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



Q1 2013 Cash flow statement:

Poor results weigh on operating cash flow

Lower business performance leads to reduced profit before tax
D&A increase 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

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Q1 2013 Business Overview

Performance Polymers

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

Sales deviation yoy: Price -11%, Volume -7%, Currency -1%, Portfolio 0%
(approximate numbers)

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

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Advanced Intermediates

Solid profitability driven by agro

Sales deviation yoy: Price +4%, Volume -3%, Currency 0%, Portfolio 0%
(approximate numbers)

Price increase mainly in BU All, more than offsetting higher benzene prices

BU All 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 remains strong

Performance Chemicals

Lower volumes and related idle costs burden EBITDA

Sales deviation yoy: Price 0%, Volume -6%, Currency -1%, Portfolio +1%
(approximate numbers)

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 (CO₂ instability) and BU MPP

Lower volumes in BUs RCH and RUC (weak tire markets)

EBITDA burdened by lower utilization rates and related idle costs

Capex increases due to CO₂ facility in South Africa (BU LEA)
and growth projects in China (BUs LEA and IPG)



Business environment:

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

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Financial Overview Q1 2013

in € million

	LANXESS			Perf. Polymers			Advanced Intermed.			Performance Chem.			Others/ Cons.		
	Q1 '12	Q1 '13	Chg. in %	Q1 '12	Q1 '13	Chg. in %	Q1 '12	Q1 '13	Chg. in %	Q1 '12	Q1 '13	Chg. in %	Q1 '12	Q1 '13	Chg. in %
Sales	2.388	2.095	-12%	1.391	1.134	-18%	429	433	1%	558	520	-7%	10	8	-20%
Price*			-6%			-11%			4%			0%			0%
Volume*			-6%			-8%			-3%			-6%			-20%
Currency*			-1%			-1%			-1%			-1%			0%
Portfolio*			0%			0%			0%			1%			0%
EBIT	277	67	-76%	206	52	-75%	54	54	0%	62	29	-53%	-45	-68	-51%
Deprec. & amortizat.	88	102	16%	48	60	25%	16	17	6%	21	21	0%	3	4	33%
EBITDA	365	169	-54%	254	112	-56%	70	71	1%	83	50	-40%	-42	-64	-52%
exceptionals in EBITDA	4	5	25%	1	0	-100%	0	0	0%	0	1	n.m.	3	4	33%
EBITDA pre excep.	369	174	-53%	255	112	-56%	70	71	1%	83	51	-39%	-39	-60	-54%
normalized D&A	88	102	16%	48	60	25%	16	17	6%	21	21	0%	3	4	33%
EBIT pre excep.	281	72	-74%	207	52	-75%	54	54	0%	62	30	-52%	-42	-64	-52%
exceptionals in EBIT	4	5	25%	1	0	-100%	0	0	0%	0	1	n.m.	3	4	33%
Capex	92	93	1%	63	58	-8%	15	19	27%	11	19	73%	3	-3	n.m.
Net financial debt**	1.483	1.787	20%												

* approximate numbers

**previous year value as per Dec. 31



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Abbreviations:

All	Advanced Industrial Intermediates
BTR	Butyl Rubber
FCC	Functional Chemicals
HPE*	High Performance Elastomers
HPM	High-Performance Materials
IPG	Inorganic Pigments
KEL*	Keltan Elastomers
LEA	Leather
LPT**	Liquid Purification Technologies
MPP	Material Protection Products
PBR	Performance Butadiene Rubbers
RCH	RheinChemie
RUC	Rubber Chemicals
SGO	Saltigo

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

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

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