

## LANXESS Q2 2016 Financial Overview (i) 4184(9)3.4470)2.64023( i) 4481

- ARLANXEO started on April 1, 2016
- Acquisition of Chemours' Clean and Disinfect specialties business to close soon
- Strong performance of New LANXESS: Higher volumes, improved mix and accelerated savings
- Persistently challenging competitive situation for synthetic rubber
- EBITDA pre increased by 8.5% to €293 m (Q2 2015: €270 m)
- EBITDA margin pre at 15.1% after 12.8% in the prior-year quarter
- LANXESS now with net financial debt close to zero (€198 m)
- **Outlook raised: Due to a strong operational performance expected in H2 for New LANXESS' segments and accelerated savings, LANXESS now**

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### Q2 2016 Financial overview:

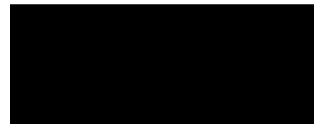
- **Higher profitability and significant net debt reduction**
- Lower sales (-8%) due to lower selling prices (-7%) mainly on lower raw material prices partly mitigated by higher volumes (+1%)
- All segments of New LANXESS contributed to higher volumes; ARLANXEO with high prior-year base and a supplier's force majeure
- EBITDA pre and margin, both increased mainly on higher volumes, improved utilization / streamlined idle costs and positive FX effects (lower hedging expenses and favorable emerging markets' currencies)
- EPS pre growth (+14%) despite non-controlling interests allocated to Saudi Aramco
- Net debt (after deduction of current financial assets) significantly reduced after receipt of ~€1.2 bn (€198 m vs. €1,216 m at end of March 2016)

### Q2 2016 Balance sheet:

- **Balance sheet rock solid – Closing of ARLANXEO reflected in some KPIs**
- Total assets significantly up with €1.2 bn cash-in for 50% ARLANXEO share and respective increase in equity for non-controlling interest
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## Outlook 2016:

Due to a strong operational performance expected in H2 for New LANXESS' segments and accelerated savings, LANXESS now expects EBITDA pre for 2016 between EUR 930 m and EUR 970 m

### Segment Outlook

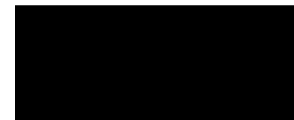
- **Advanced Intermediates:**
  - Highly diversified mix of customer industries
  - Demand of agro chemical industry to remain soft
- **Performance Chemicals:**
  - Two flagship businesses (IPG and ADD) to benefit from

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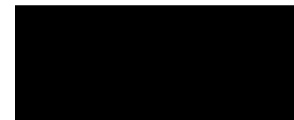
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## Cash Flow Statement Q2 / H1 2016

in € million	Q2/2015	Q2/2016	HJ/2015	HJ/2016
Income before income taxes	144	147	178	241
Depreciation and amortization	119	115	234	235
Gains on disposals of intangible assets and property, plant and equipment	-42	0	-42	0
Financial losses	17	16	32	33
Income taxes paid	-18	-19	-23	-61
Changes in inventories	-22	29	7	19
Changes in trade receivables	13	-10	-145	-148
Changes in trade payables	6	-26	15	-96
Changes in other assets and liabilities	-98	-72	-104	5
<b>Net cash provided by operating activities</b>	<b>119</b>	<b>180</b>	<b>152</b>	<b>228</b>
Cash outflows for purchase of intangible assets and property, plant and equipment	-73	-73	-129	-122
Cash inflows from sales of intangible assets and property, plant and equipment	43	1	44	5
Cash outflows for financial assets	-121	-711	-128	-611
Interest and dividends received	0	2	1	3
Cash outflows for external financing of pension obligations (CTA)	0	-200	0	-200
<b>Net cash used in investing activities</b>	<b>-151</b>	<b>-981</b>	<b>-212</b>	<b>-925</b>
Proceeds from borrowings	10	21	53	41
Repayments of borrowings	-44	-12	-131	-163
Interest paid and other financial disbursements	-34	-33	-42	-39
Dividend payments	-46	-55	-46	-55
Cash inflows from non-controlling interests	9	1,194	9	1,194
<b>Net cash provided (used in) financing activities</b>	<b>-105</b>	<b>1,115</b>	<b>-157</b>	<b>978</b>
Change in cash and cash equivalents from business activities	-137	314	-217	281
Cash and cash equivalents at beginning of period	344	333	418	366
Exchange differences and other changes in cash and cash equivalents	-3	3	3	3
Cash and cash equivalents at end of period	204	650	204	650



**Abbreviations:**

**ADD Rhein Chemie Additives**  
**All Advanced Industrial Intermediates**  
**HPE High Performance Elastomers**  
**HPM High-Performance Materials**  
**IPG Inorganic Pigments**  
**LEA Leather**  
**LPT Liquid Purification Technologies**  
**MPP Material Protection Products**  
**SGO Saltigo**  
**TSR Tire & Specialty Rubbers**

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