News Release

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

Successful fiscal year 2015 as foundation for growth

- **EBITDA pre exceptionals increases by 9.5 percent to EUR 885 million**
- **EBITDA margin improves from 10.1 to 11.2 percent**
- **Net income advances substantially to EUR 165 million**
- **Sales level with the prior year at around EUR 7.9 billion**
- **Proposed dividend 20 percent higher at EUR 0.60 per share**
- **Net financial liabilities substantially reduced to around EUR 1.2 billion**
- **Forecast for full year 2016: EBITDA pre exceptionals between EUR 880 million and EUR 930 million**

Cologne – Speciality chemicals company LANXESS can look back on a successful fiscal 2015 – despite a challenging market environment. EBITDA pre exceptionals rose by 9.5 percent to EUR 885 million, due above all to savings achieved by the company's realignment program, the strong U.S. dollar and volume growth. The operating result was therefore within the recent guidance range of EUR 860 million to EUR 900 million. All segments contributed to the earnings improvement. In 2014, the operating result was EUR 808 million.

The Group's EBITDA margin pre exceptionals improved from 10.1 percent to 11.2 percent. Net income also increased substantially to EUR 165 million from EUR 47 million. Compared with the prior year, sales remained virtually stable at EUR 7.9 billion (2014: EUR 8.0 billion). Here, lower selling prices resulting from lower raw material prices were largely compensated by favorable currency effects.

"Fiscal 2015 was successful for LANXESS in every respect. We implemented our realignment faster than planned and, at the same time, significantly improved our profit situation and financial position. We have thus laid a stable foundation for our growth course," said

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

Matthias Zachert, Chairman of the Board of Management of LANXESS AG.

Balance sheet strengthened significantly

On account of the increased operating result coupled with lower capital expenditures and the further reduction of working capital, net financial liabilities declined by a substantial EUR 125 million, to around EUR 1.2 billion. Thus, net financial liabilities have been cut by about 30 percent within two years. In 2015, capital expenditures amounted to EUR 434 million, around one-third lower than the prior-year level of EUR 614 million. For 2016, the company is planning capital expenditures of some EUR 450 million. "Although we are on course for growth, we will continue to pursue our solid financing strategy and keep our investment-grade rating in sight," explained Michael Pontzen, Chief Financial Officer of LANXESS AG.

Higher dividend targeted for 2015

The company's good business performance is also to be reflected in a higher dividend. The Board of Management and the Supervisory Board will propose to the Annual Stockholders' Meeting that the dividend be increased by 20 percent compared with the prior year to EUR 0.60 per share. This would result in a total dividend payout of around EUR 55 million.

ARLANXEO already starts operating on April 1

After the relevant antitrust authorities have cleared the transaction earlier than expected, ARLANXEO, the joint venture for synthetic rubber between LANXESS and Saudi Aramco, will already start operating on April 1, 2016.

The start of the joint venture will impact LANXESS' reporting structure from the second quarter of 2016. The Performance Polymers segment will be replaced by ARLANXEO (comprising the

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

Tire & Specialty Rubbers and High Performance Elastomers business units) and the High Performance Materials business unit. The Advanced Intermediates and Performance Chemicals segments will remain unchanged.

Growth course on a solid financial footing

The realigned company with its balanced portfolio of specialty chemicals, chemical intermediates and high-performance plastics is on a growth course. In principle, this "new" LANXESS intends to focus on mid-sized markets and the growth regions of North America, China and Southeast Asia. In the years ahead, LANXESS plans to invest some EUR 400 million of the anticipated EUR 1.2 billion proceeds from the rubber transaction in organic growth. "The precondition for any capital expenditure is that it will contribute to creating value. The individual segments will have budgets between EUR 50 million and EUR 150 million for capital expenditures," continued Zachert. It is also planned to use around EUR 200 million for a share buyback program and some EUR 400 million to reduce financial liabilities.

LANXESS is also looking at external growth opportunities. "On the one hand, we aim to take advantage of consolidation opportunities in those areas of business in which LANXESS already operates. On the other hand, we are also investigating options to extend our portfolio into related areas of business that are the right fit. Here, we will consider both integrated chemical value chains and suitable application-driven businesses," explained Zachert.

Business development by segment

In 2015, sales in the **Performance Polymers** segment declined by 4.5 percent compared with the prior year, to around EUR 3.9 billion. Despite the challenging environment, EBITDA pre exceptionals increased by 28.1 percent to EUR 502 million, which was substantially higher than the prior-year level of EUR 392 million.

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

Earnings were lifted by favorable exchange rates, savings achieved by the realignment program and higher volumes. The EBITDA margin pre exceptionals of the segment increased accordingly from 9.5 percent previously to 12.7 percent.

In the **Advanced Intermediates** segment, 2015 sales were slightly down on the prior year at around EUR 1.8 billion. EBITDA pre exceptionals increased by 10.1 percent to EUR 339 million, compared with EUR 308 million a year earlier. Earnings were buoyed by the strong U.S. dollar, the continued good demand for agrochemicals and from other markets, and savings achieved by the realignment program. At 18.6 percent, the EBITDA margin pre exceptionals was substantially higher than the figure of 16.7 percent posted in 2014.

Sales in the **Performance Chemicals** segment improved by 4.8 percent in 2015 to around EUR 2.1 billion. EBITDA pre exceptionals advanced by a substantial 21.2 percent from the prior-year level of EUR 269 million to EUR 326 million. Favorable exchange rate developments in all business units, savings achieved by the realignment program and lower raw material prices resulted in improved earnings. The EBITDA margin pre exceptionals improved accordingly to 15.6 percent, compared with 13.5 percent in 2014.

Outlook for 2016

LANXESS has had a good start to the new fiscal year and is forecasting EBITDA pre exceptionals between EUR 240 million and EUR 260 million for the first quarter of 2016. The company is expecting stable to slightly positive business development for the Advanced Intermediates and Performance Chemicals segments for the full year 2016. It also assumes good volume growth in the High Performance Materials segment. The challenging competitive environment is expected to persist in the synthetic rubber business, which could result in additional margin pressure. LANXESS is

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

assuming EBITDA pre exceptionals for the full year 2016 of between EUR 880 million and EUR 930 million.

Financial data for the full year 2015

(Figures in EUR million)

	Full year 2014	**Full year 2015**	**Change in percent**	**Q4 2014**	**Q4 2015**	**Change in percent**
Sales	8,006	7,902	-1.3	1,904	1,806	-5.1
EBITDA pre exceptionals	808	885	9.5	154	151	-1.9
EBITDA margin pre exceptionals (percent)	10.1	11.2		8.1	8.4	
Net income	47	165	>100	-68	15	>100

LANXESS is a leading specialty chemicals company with sales of EUR 7.9 billion in 2015 and about 16,200 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 FTSE4Good.

Cologne, March 17, 2016
eic (2016-00028e)

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.

News Release

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.

Follow us on Twitter, Facebook, Linkedin and YouTube:

http://www.twitter.com/LANXESS
http://www.facebook.com/LANXESS
http://www.linkedin.com/company/lanxess
http://www.youtube.com/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