



Saudi Aramco and LANXESS to form a global synthetic rubber powerhouse

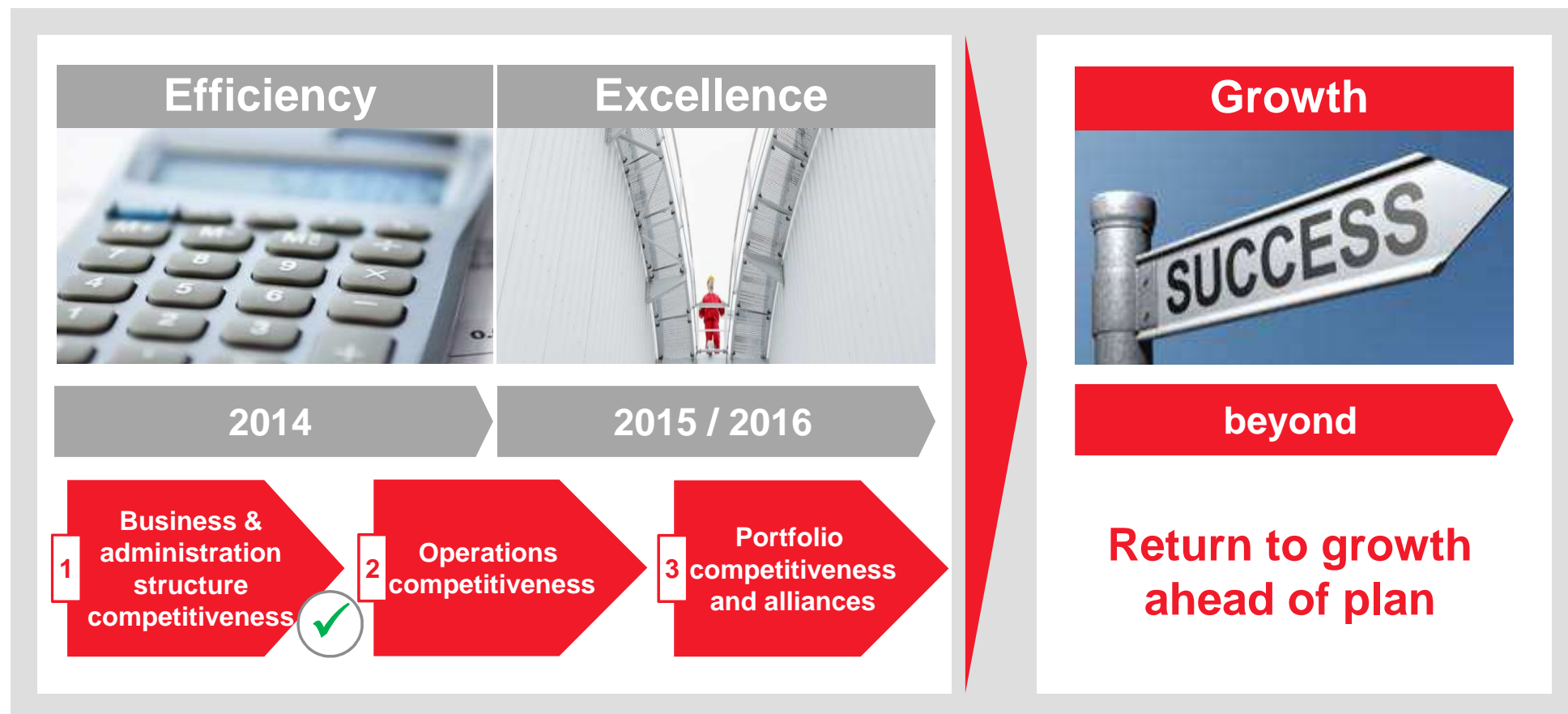


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LANXESS back on track – delivering on three-phase realignment ahead of plan



Saudi Aramco and LANXESS form a highly competitive 50:50 joint venture

Combination of two powerful partners

aramco



- World's largest integrated energy enterprise
- Backward integration into feedstock for synthetic rubber
- Strategic commitment to further develop value chain downstream

#1 in feedstock



LANXESS

- Leading market and technology positions in synthetic rubber
- Well invested asset base
- Broadest product portfolio in the rubber industry with leading brands and quality

#1 in synthetic rubber

LANXESS

Striking rationale: Broadest synthetic rubber platform to partner with biggest raw material supplier

Backward integration

- Competitive access to feedstock
- JV will solve lack of backward integration



Attractive valuation

- EV of stand-alone LANXESS' rubber business: €2.75 bn
- Financial obligations (e.g. debt, pensions) will be deducted from EV
- This results in cash proceeds to LANXESS of ~€1.2 bn for 50% share



Growth upside

- JV partners agreed to use the platform for future organic investments (esp. in Saudi Arabia) and for further transaction opportunities (e.g. M&A)



A powerful partner: Saudi Aramco – the world's largest energy player extends its business downstream

Company

- Headquarters: Dhahran, Kingdom of Saudi Arabia
- Employees: ~62,000 globally
- State-owned company
- Represented in all major global energy markets

aramco



Business

- World's largest integrated energy enterprise
- World's largest oil production capacity
- World scale integrated chemical complexes
- A world leading producer of natural gas



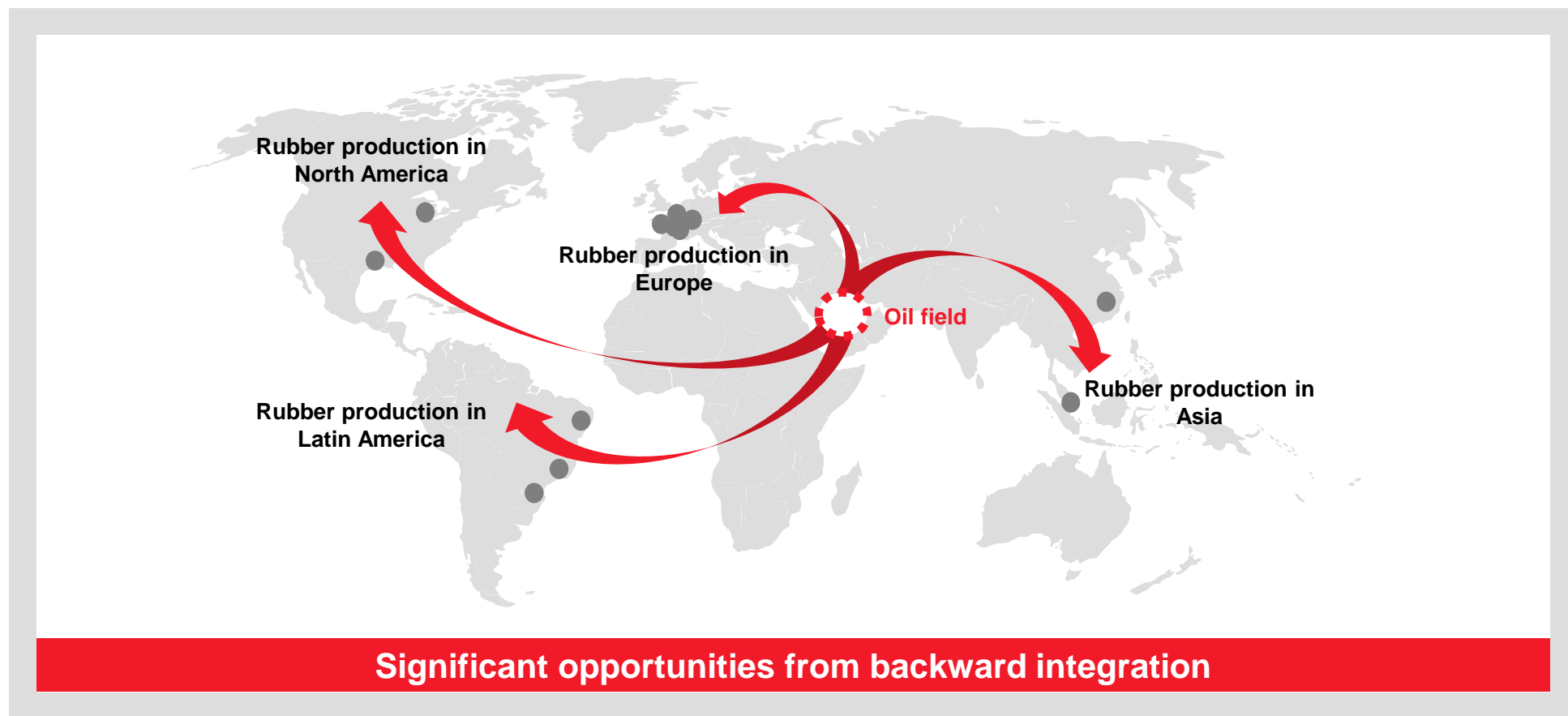
Downstream commitment

- Powerful partnerships to extend downstream business, e.g.:
 - SATORP (JV with Total)
 - Sadara (JV with Dow): Naphtha based chemicals value chain
 - further global projects



Saudi Aramco targets to be the world's leading integrated energy and chemicals company by 2020

Value chains will be optimized together over the next 5-10 years



BUs Tire & Specialty Rubbers and High Performance Elastomers to be carved out into joint venture

Scope of Joint Venture

LANXESS

Performance Polymers

Tire & Specialty Rubbers



High Performance Elastomers

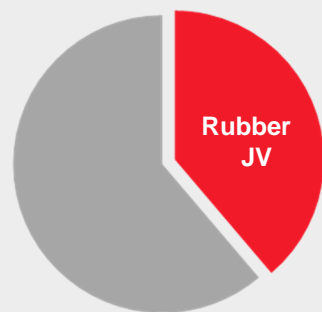


High Performance Materials

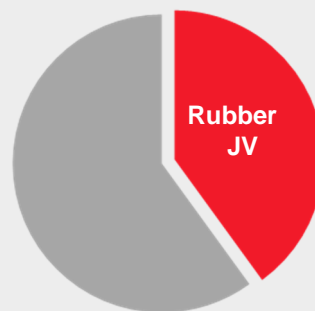
Advanced Intermediates

Performance Chemicals

Sales €3.1 bn*



EBITDA pre ~€320 m*



20 plants, 9 countries



Employees ~3,700**



■ BUs TSR & HPE ■ LANXESS without synthetic rubber business

* FY 2014 for Business Units TSR & HPE including respective service functions; ** employees of Business Units TSR & HPE; concept for central services to TSR and HPE yet to be defined

A leading global supplier of synthetic rubbers for a wide range of applications

Tire & Specialty Rubbers (TSR)



Primarily used in inner liners, treads and sidewalls of modern, fuel-efficient tires as well as non-tire applications

Butyl rubbers ~400kt

PBRs/SBRs >1,000kt

High Performance Elastomers (HPE)



For a wide range of technical applications (e.g. seals, hoses, profiles, cable sheathing, special films and adhesives)

EPDM ~450kt

CR >60kt

(H)/NBR >130kt

EVM ~15kt

* PBR/SBR= Polybutadiene rubber / Styrene butadiene rubber, EPDM = Ethylene Propylene Diene Monomer, (H)/NBR= (Hydrated) Nitrile butadiene rubber, CR= Chloroprene rubber, EVM= Ethylene vinyl acetate rubber

LANXESS

Transaction details of Saudi Aramco's and LANXESS' joint venture

Transaction details

Set-up

- LANXESS contributes rubber business* into JV
- Saudi Aramco will become supplier of strategic raw materials to the JV mid-term
- Headquarters in the Netherlands
- CEO represented by LANXESS and CFO represented by Saudi Aramco

Accounting

- LANXESS to fully consolidate for the first 3 years

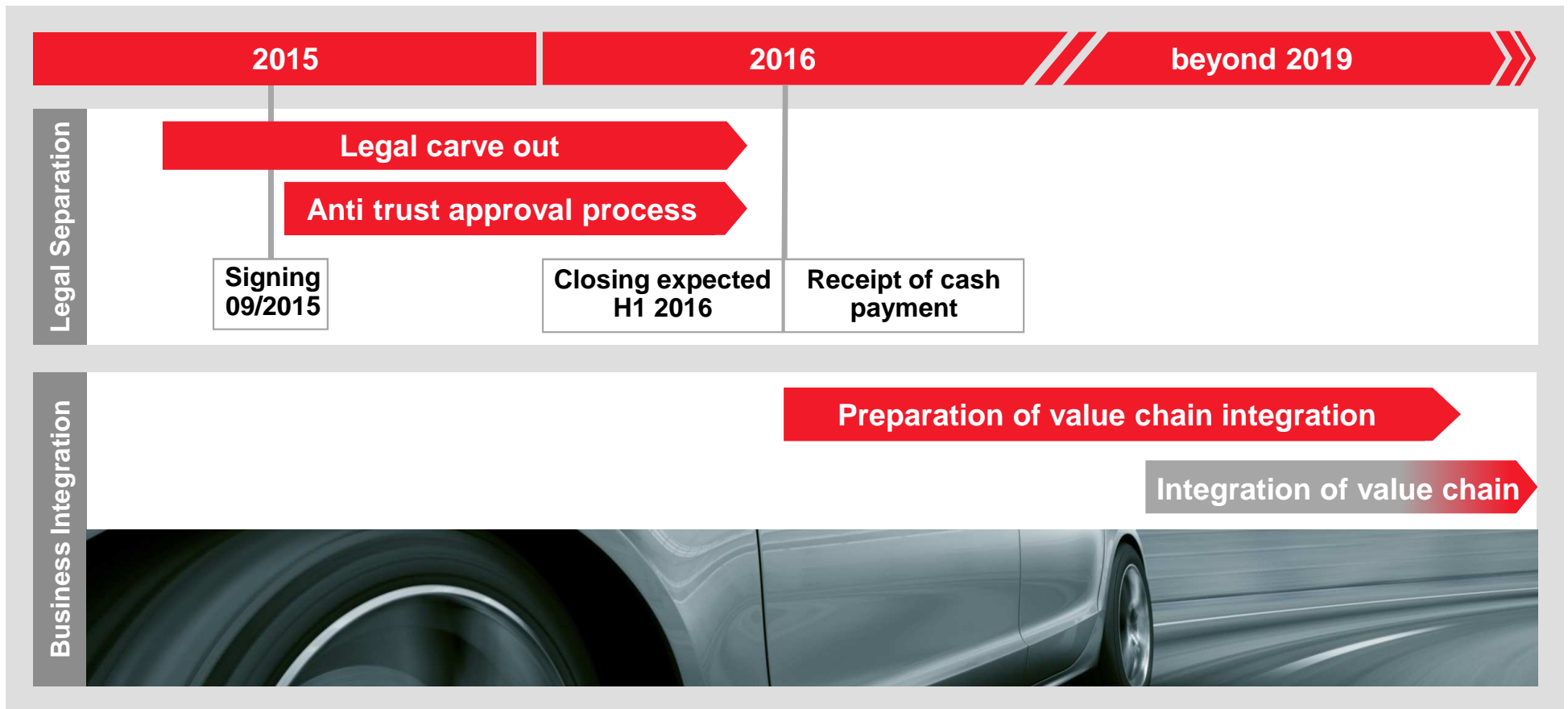
Closing

- Subject to antitrust approval
- Closing expected in H1 2016

* BUs TSR and HPE and certain corporate functions

LANXESS

Swift and decisive execution for sustainable competitiveness



Proceeds allow growth and strengthening of balance sheet

Use of proceeds will be allocated to three pillars after receipt of cash

Growth

- Investment in future growth
- Focus on segments
Advanced Intermediates
and Performance
Chemicals



~€400m

Debt reduction

- Payback of maturing bond
in 2016 (~€200 m; coupon
5.5%) and other financial
obligations



~€400m

Share buy-back

- Buy-back program to be
initiated



~€200m

Acceleration of LANXESS' realignment

**Rubber JV:
Strengthened
platform with strong
partner**



**Stronger set-up to
weather the next 2-3
years**

**LANXESS:
Acceleration of
transformation**

- **more resilient**
- **less capital intensive**
- **more cash generative**
- **back to financial strength**

Back to growth



End of presentation