

Specialty Chemicals

- In Q2, volumes were up 4 percent compared with the previous year
- Revenue down 2 percent, mainly due to adverse currency effects
- Operating income up 2 percent at €124 million, due to cost control and operational efficiencies
- Continuous improvement measures ongoing in all businesses

Volume in Specialty Chemicals for the quarter was higher compared with 2013 as a result of better market conditions in most businesses. Revenue declined, mainly due to adverse currency developments. Profitability increased due to benefits from restructuring activities and cost savings, supported by volume growth.

Functional Chemicals

Volume increased significantly during the quarter. Revenue declined 2 percent due to currency effects and the divestment of the Primary Amides business. Demand in Europe was better than last year and general market conditions improved in North America. The Ethylene Amine market remains stable. The benefits of the restructuring program that was announced in 2013, are coming through.

Industrial Chemicals

Volume increased, reflecting improved business conditions, the expansion of the MCA plant in Taixing, China, and the impact of maintenance stops during 2013. Margins continued to be impacted by decreasing caustic prices, which we do not expect to significantly improve soon.

Surface Chemistry

Revenue decreased due to adverse currency effects and lower volumes, mainly in Europe. The business developments varied per segment, with road construction being strong.

Pulp and Performance Chemicals

Volumes from bleaching chemicals in Asia Pacific and South America were strong. Growth areas performed well. Revenue was down 3 percent, mainly due to currency effects and the divestment of the Purate business.

Revenue

2nd quarter				January - June		
2013	2014	Δ%	in € millions	2013	2014	Δ%
488	479	(2)	Functional Chemicals	955	952	-
279	276	(1)	Industrial Chemicals	570	569	-
264	256	(3)	Surface Chemistry	522	506	(3)
258	250	(3)	Pulp and Performance Chemicals	520	493	(5)
(36)	(33)		Other/intragroup eliminations	(70)	(70)	
1,253	1,228	(2)	Total	2,497	2,450	(2)
121	124	2	Operating income	220	259	18
9.7	10.1		ROS%	8.8	10.6	
			Average invested capital	3,688	3,492	
			Moving average ROI (in %) *	11.5	9.6	
198	204	3	EBITDA	372	408	10
100	72		Capital expenditures	178	133	
			Number of employees	10,620	10,020	

* on a comparable basis; 2014: 13.6 percent.

Revenue development Q2 2014

■ Increase ■ Decrease

