

Specialty Chemicals

- Revenue up 5 percent in Q2, mainly due to favorable currency effects, while volumes were flat
- Operating income up 55 percent (31 percent excluding incidental items related to the divestment of the Paper Chemicals business), supported by the increase of production at the new Frankfurt plant and operational efficiencies throughout the business
- ROS increased to 14.9 percent (2014: 10.1 percent); excluding incidental items ROS was 12.6 percent; ROI increased to 17.0 percent (2014: 9.6 percent)
- Divestment of Paper Chemicals business was closed in May; book profit net of related costs was €30 million included in operating income

Revenue was up 5 percent due to continued favorable currency effects, partly offset by the impact of the divestment of the Paper Chemicals business, which was completed early May. Volumes were flat. Growth in some segments compensated for lower demand in oil and gas drilling segments. North America continued to show a positive trend, while growth in Asia was subdued and demand remained weak in Europe and South America.

Operating income increased 55 percent (31 percent excluding incidental items related to the divestment of the Paper Chemicals business). Results were supported by the increase of production at the new Frankfurt plant, operational efficiencies throughout the business and favorable currency developments.

Functional Chemicals

Revenue was up 11 percent mainly due to positive volume developments for chelates and cellulosic specialties and favorable currency effects.

Industrial Chemicals

Revenue was down 7 percent, due to a scheduled maintenance stop. Product availability improved due to an increase of production at the new chlorine plant in Frankfurt, which is now fully on-stream.

Surface Chemistry

Revenue was up 10 percent due to positive currency effects. Higher volumes from several growing segments were more than compensated by the volume decrease in oil drilling segments.

Pulp and Performance Chemicals

Revenue was up 1 percent. Positive volume development in the pulp segment, especially in North and South America, as well as in growth products, was offset by the impact of

Revenue

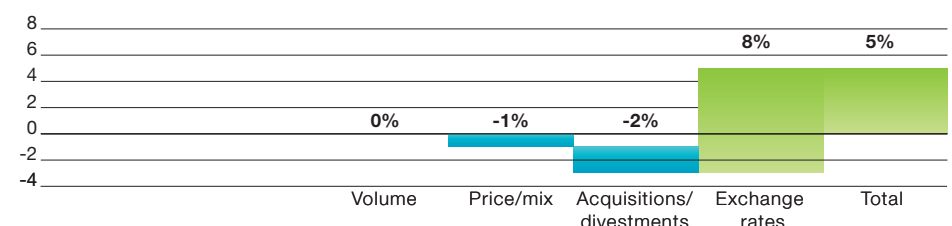
Second quarter			January - June			
2014	2015	Δ%	in € millions	2014	2015	Δ%
447	497	11	Functional Chemicals *	887	961	8
305	284	(7)	Industrial Chemicals *	627	592	(6)
256	282	10	Surface Chemistry	506	559	10
250	252	1	Pulp and Performance Chemicals	493	525	6
(30)	(25)		Other/intragroup eliminations	(63)	(51)	
1,228	1,290	5	Total	2,450	2,586	6
124	192	55	Operating income	259	355	37
124	162	31	Operating income excl. incidental items	259	325	25
10.1	14.9		ROS%	10.6	13.7	
10.1	12.6		ROS excl. incidental items (in %)	10.6	12.6	
			Average invested capital	3,492	3,557	
			Moving average ROI (in %) **	9.6	17.0	
204	243	19	EBITDA	408	485	19
72	59		Capital expenditures	133	115	
			Number of employees	10,000	9,200	

* Adjusted to the new business structure.

** On a comparable basis: 2015: 16.2 percent; 2014: 13.6 percent.

Revenue development Q2 2015

■ Increase ■ Decrease



the divested Paper Chemicals business. The divestment has an annual revenue impact of around €150 million. The deal includes tolling agreements that will expire over time.