



Leverkusen,
November 12, 2015

Covestro AG
Investor Relations
51373 Leverkusen
Germany

IR Contact
Ronald Köhler
Telephone
+49 214 6009 5098
Email
ronald.koehler
@covestro.com

IR Contact
Ilia Kürten
Telephone
+49 214 6009 7429
Email
ilia.kuerten
@covestro.com

Optimistic outlook for the full year

Covestro's positive momentum continues

- **Substantial increase in adjusted EBITDA expected in 2015**
- **Free operating cash flow on track for new record**
- **Strong third quarter: net income around 62% above prior year**

Following a successful third quarter, materials manufacturer Covestro sees confirmation of its confidence for the full fiscal year. The company, which was recently listed on the stock market, expects a substantial increase in profitability in 2015. Free operating cash flow is on track for a new record and net income for the third quarter improved by around 62%.

"2015 should be a very good year for Covestro," affirmed CEO Patrick Thomas. "We are demonstrating above all our earning power and financial strength. It is pleasing that all three segments and especially Polycarbonates are likely to participate in the positive development."

Substantial earnings increase planned

Covestro anticipates a substantial increase in adjusted EBITDA in 2015, up from EUR 1.16 billion in the previous year. This should be supported especially by a more favorable supply and demand situation. The company is assuming a year-on-year increase in adjusted EBITDA in the fourth quarter.

In 2015, Covestro expects sales to improve slightly (on a reported basis) from the prior-year figure of EUR 11.76 billion. A low-single-digit percentage increase in core volume growth is forecast.



Covestro also expects to set a new record for free operating cash flow (FOCF) in the current year. This indicator is the basis for the sustainable dividend policy planned by the company and stood at EUR 302 million in 2014.

Covestro is planning to reduce net financial debt including post-employment benefit obligations to EUR 4 billion and is thus aiming at the lower end of its target indebtedness of 2.5 to 3.0 times adjusted EBITDA.

Higher segment earnings expected

In the Polyurethanes segment slight core volume growth is anticipated in 2015. Adjusted EBITDA is predicted to exceed the prior-year figure of EUR 592 million. Polyurethanes are high-performance foams used, for example, in automotive seating and upholstered furniture and as insulating materials for buildings and refrigerated appliances.

Covestro is forecasting a mid-single-digit percentage increase in core volume growth for the Polycarbonates segment in 2015. Adjusted EBITDA is expected to more than triple compared with the prior-year figure of EUR 160 million. Polycarbonate is a versatile high-performance plastic used in key areas such as the automotive and electronics industries.

In the Coatings, Adhesives, Specialties segment, the company is assuming core volume growth in the low-single-digit percentage range for 2015. It is also planning to increase adjusted EBITDA from the prior-year level of EUR 437 million. This segment develops and manufactures raw materials for coatings, adhesives and sealants, as well as specialties for use in textiles, cosmetics and medical and sports products.

Profitable third quarter

Covestro already posted increases in adjusted EBITDA in all three segments in the third quarter of 2015. Against the backdrop of a more favorable supply and demand situation, this figure rose by almost 45% overall against the prior year to EUR 471 million. Net income improved by around 62% to EUR 160 million.

By contrast, declining selling prices saw Covestro sales decrease in the third quarter by 1.4% to EUR 3.02 billion. However, core volume growth remained stable. Free operating cash flow increased by almost 13% year on year to EUR 251 million.



About Covestro:

With 2014 sales of EUR 11.8 billion, Covestro is among the world's largest polymer companies. Business activities are focused on the manufacture of high-tech polymer materials and the development of innovative solutions for products used in many areas of daily life. The main segments served are the automotive, electrical and electronics, construction and sports and leisure industries. Covestro, formerly Bayer MaterialScience, has 30 production sites worldwide and employs approximately 15,700 people (calculated as full-time equivalents) at the end of September 2015.

This investor news is available for download from the Investor Relations website of Covestro at <http://investor.covestro.com/en/news/investor-news/>.

Find more information at **investor.covestro.com**.
(2015-041E)

Forward-Looking Statements

This investor news may contain forward-looking statements based on current assumptions and forecasts made by Covestro AG. 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. These factors include those discussed in Covestro's public reports which are available on the Covestro website at www.covestro.com. The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.

Covestro Group Key Data

	3rd quarter 2014	3rd quarter 2015	Change	First nine months 2014	First nine months 2015	Change
	€ million	€ million	%	€ million	€ million	%
Sales	3,062	3,020	- 1.4	8,781	9,284	+ 5.7
Change in sales						
Volume		- 0.6%			+ 2.9%	
Price		- 7.4%			- 6.1%	
Currency		+ 6.6%			+ 8.9%	
Portfolio		0.0%			0.0%	
Core volume growth¹	+ 4.5%	- 0.7%		+ 5.8%	+ 2.5%	
Sales by region						
EMLA ²	1,396	1,352	- 3.2	4,186	4,140	- 1.1
NAFTA ³	789	852	+ 8.0	2,233	2,571	+ 15.1
APAC ⁴	877	816	- 7.0	2,362	2,573	+ 8.9
EBITDA⁵	324	455	+ 40.4	934	1,287	+ 37.8
Adjusted EBITDA⁶	326	471	+ 44.5	951	1,385	+ 45.6
EBIT⁷	175	287	+ 64.0	489	760	+ 55.4
Adjusted EBIT⁸	177	305	+ 72.3	510	883	+ 73.1
Financial results	(35)	(56)	- 60.0	(91)	(143)	- 57.1
Net income⁹	99	160	+ 61.6	277	427	+ 54.2
Earnings per share (in €)¹⁰	0.49	0.79	+ 61.6	1.37	2.11	+ 54.2
Gross cash flow¹¹	274	313	+ 14.2	828	1,039	+ 25.5
Operating cash flow (net cash flow)¹²	357	379	+ 6.2	511	923	+ 80.6
Cash outflows for capital expenditures	134	128	- 4.5	373	352	- 5.6
Free operating cash flow¹³	223	251	+ 12.6	138	571	+ 313.8
Net financial debt^{14 16}	4,160	4,995	+ 20.1	4,160	4,995	+ 20.1
Employees (in FTE)^{15 16}	14,408	15,723	+ 9.1	14,408	15,723	+ 9.1

¹ Core volume growth refers to the core products in the Polyurethanes, Polycarbonates and Coatings, Adhesives, Specialties segments. It is calculated as the percentage change in externally sold volumes in thousand tons compared to the prior year. Covestro also takes advantage of business opportunities outside its core business, for example the sale of raw materials and intermediates such as hydrochloric acid, sodium hydroxide solution and styrene. These transactions are not included in core volume growth.

² EMLA: Europe, Middle East, Africa and Latin America (excl. Mexico) region

³ NAFTA: United States, Canada and Mexico region

⁴ APAC: Asia and Pacific region

⁵ EBITDA: earnings before financial result, taxes, depreciation and amortization

⁶ Adjusted EBITDA: earnings before financial result, taxes, depreciation and amortization before special items

⁷ EBIT: earnings before financial result and taxes

⁸ Adjusted EBIT: earnings before financial result and taxes before special items

⁹ Net income: income after income taxes attributable to the stockholders of Covestro AG

¹⁰ Earnings per share: net income divided by total number of shares after IPO (including new issued shares)

¹¹ Gross cash flow: operating cash flow disregarding changes in inventories, trade accounts receivable and payable, other working capital and other noncash items

¹² Operating cash flow (net cash flow): cash flow from operating activities according to IAS 7

¹³ Free operating cash flow: operating cash flow less cash outflows for property, plant, equipment and intangible assets

¹⁴ Excluding obligations for pensions and other post-employment benefits

¹⁵ Employees calculated as full-time equivalents (FTE)

¹⁶ As of September 30, 2015 compared to September 30, 2014