Covestro IR Factsheet – Q2 2016

Financial Overview
• Dynamic core volume growth of 7.7% Y/Y to 1.254mt mainly driven by MDI, TDI and PC, with APAC +13% Y/Y, EMLA +6% Y/Y and NAFTA +4% Y/Y
• Sales declined by 6.9% Y/Y to €2.99bn; Volume +4.5% Y/Y; Price -8.7% Y/Y and FX -2.7% Y/Y
• Adj. EBITDA increased by 9% Y/Y to €542m mainly due to positive operational leverage
• Adj. EBIT increased by 11% Y/Y to €364m due to almost unchanged D&A
• EBIT increased by 36% Y/Y to €364m given the absence of any special items (Q2 2015: €-60m)
• Financial results of €-45m, in-line with guidance
• Income tax rate of 27.0% (H1-2016: 28.2%, slightly below FY guidance of c.30%)
• EPS increased by 51% Y/Y to €1.13 (calculated on a basis of 202.5m shares)
• FOCF increased by 3% Y/Y to €237m despite higher working capital

Polyurethanes
• Core volumes (in kt) increased by 9.0% Y/Y benefitting from strong growth in MDI and TDI
• Adj. EBITDA increased by 2% Y/Y to €228m despite high previous year basis

Polycarbonates
• Core volumes (in kt) increased by 8.5% Y/Y; growth was broad based by regions and industries
• Adj. EBITDA increased by 27% Y/Y to €191m mainly driven positive volume leverage

Coatings, Adhesives, Specialties
• Core volumes (in kt) decreased by 1.8% Y/Y mainly due to the phase out of a trading product; positive volume growth excluding this effect
• Adj. EBITDA increased by 4% Y/Y to €142m due to raw material and product mix benefits

Macro Expectations 2016
• We assume an exchange rate of EUR/USD of around 1.10
• We slightly reduced our expectations for global GDP growth to 2.5% for 2016

Outlook 2016
• We expect core volume growth in the mid- to high-single-digit percentage range (previously: mid-single-digit)
• We anticipate FOCF around last year’s level (previously: at a high level and above the average seen in past years)
• We expect ROCE above last year’s level (previously: to exceed our capital costs)

Additional Financial Expectations for 2016
• Adj. EBITDA: at least on last year’s level for H2-2016
• CapEx: ~€450m (previously: ~€500-550m)
• D&A: ~€650-700m (unchanged)
• Exceptional items: ~€0m (unchanged)
• Financial results: ~€-210m (unchanged)
• Effective tax rate: ~30% (unchanged)
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### Core volumes ('000 t)

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<tr>
<td>€ million</td>
<td>€ million</td>
<td>€ million</td>
<td>€ million</td>
<td>€ million</td>
<td>€ million</td>
</tr>
<tr>
<td>Sales</td>
<td>1,060</td>
<td>1,164</td>
<td>1,130</td>
<td>1,084</td>
<td>1,171</td>
</tr>
<tr>
<td>PUR</td>
<td>3,054</td>
<td>3,210</td>
<td>3,020</td>
<td>2,798</td>
<td>2,875</td>
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<tr>
<td>PCS</td>
<td>1,554</td>
<td>1,637</td>
<td>1,512</td>
<td>1,385</td>
<td>1,403</td>
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<tr>
<td>CAS</td>
<td>765</td>
<td>829</td>
<td>759</td>
<td>786</td>
<td>831</td>
</tr>
<tr>
<td>Others / Consolidation</td>
<td>200</td>
<td>182</td>
<td>170</td>
<td>177</td>
<td>174</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>416</td>
<td>498</td>
<td>256</td>
<td>508</td>
<td>542</td>
</tr>
</tbody>
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### Special items (EBITDA)

- PUR: -23
- PCS: -12
- CAS: 4

### Financial result

- EBITDA: -23
- PUR: -59
- PCS: -12
- CAS: -14

### Net income

- EPS: 0.57
- PUR: 0.75
- PCS: 0.79
- CAS: 0.79

### Net financial debt

- 2016: 5,022
- 2017: 4,578

### Provisions for pensions

- 2016: 5,022
- 2017: 4,578

### Net cash provided by (used in) operating activities

- 2016: 184
- 2017: 360

### FOCF

- 2016: 90
- 2017: 230

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1. Reference values recalculated effective March 31, 2016, based on the definition of the core business.