

Press release

April 17, 2014

AkzoNobel publishes Q1 2014 results

- Volume and price/mix development positive in all three Business Areas
- Revenue down 2 percent due to 5 percent currency effects
- Restructuring costs of €44 million (2013 €29 million). Excluding these, ROS% is 7.7 percent (2013: 7.1 percent)
- Operating income at €216 million (2013: €217 million) reflects adverse currencies and €15 million higher restructuring costs
- Net income attributable to shareholders at €129 million increased (2013: €89 million) mainly due to lower financing expenses
- Adjusted EPS at €0.61 (2013: €0.51)
- Net cash outflow from operating activities was €552 million (2013: €406 million)
- On track to deliver 2015 targets despite expected continued fragile economic environment and volatile currencies in 2014

Q1 2014 in € million

	Q1 2013	Q1 2014	Δ %
Revenue	3,465	3,383	(2)
Operating income	217	216	-
Return on sales (ROS) %	6.3	6.4	
EBITDA	375	364	(3)
Net income attributable to shareholders	89	129	45

Akzo Nobel N.V. (AkzoNobel) today reported a positive volume and price/mix development in all three Business Areas. First quarter revenues of €3,383 million were 2 percent lower compared with the same period last year. The decrease was mainly a consequence of a 5 percent impact from currency translation. Operating income was flat at €216 million after €15 million higher restructuring charges and currencies. As a consequence of de-risking our pension liabilities in the UK, other comprehensive income in shareholders' equity was adversely affected by €0.8 billion. Continuous improvement programs are ongoing and the company is on track to achieve its 2015 targets.

CFO Keith Nichols

"These results are a further step towards the delivery of AkzoNobel's 2015 targets. Despite higher restructuring charges, continued adverse currency effects and ongoing weakness in Europe, our year-on-year return on sales, both before and after higher restructuring charges, improved for the third consecutive quarter. Net income attributable to shareholders and adjusted EPS have both increased significantly, benefiting from lower financing costs as a result of recent debt repayments. AkzoNobel remains on track to deliver its 2015 targets of 9 percent return on sales, 14 percent return on invested capital and a net debt/EBITDA ratio lower than 2.0."

Volume in **Decorative Paints** was up compared with 2013 due to development in Asia, while conditions in Europe and Latin America were challenging. Price/mix development was positive in all three regions. Revenue in Decorative Paints declined 6 percent due to 6 percent adverse currency effects, mainly in Latin America and Asia, and a 4 percent divestment effect from the sale of Building Adhesives. Operating income for the quarter was lower than the previous year, mainly due to higher restructuring costs in mature markets.

Volume in **Performance Coatings** was up 3 percent on 2013. Compared to the previous year, positive volume and price/mix development was more than offset due to a 6 percent negative impact from currencies. As a result, revenue declined 1 percent compared with 2013. Operating income was down 2 percent due to higher restructuring costs and currency translation.

Volume in **Specialty Chemicals** was higher compared with 2013 as a result of better market conditions in Functional Chemicals and the absence of the previous year's production issues, notably in Industrial Chemicals. Revenue declined due to adverse currency developments and divestments. Operating income was up 36 percent at €135 million due to cost control and operational efficiencies.

Outlook

AkzoNobel is on track to deliver its 2015 targets despite the expected continued fragile economic environment and continued volatile currencies in 2014.

Business Area highlights

Decorative Paints

Q1 2014 in €m

	2013	2014	Δ%
Revenue	925	865	(6)
OPI	43	17	(60)
ROS (in %)	4.6	2.0	

Performance Coatings

Q1 2014 in €m

	2013	2014	Δ%
Revenue	1,331	1,319	(1)
OPI	129	126	(2)
ROS (in %)	9.7	9.6	

Specialty Chemicals

Q1 2014 in €m

	2013	2014	Δ%
Revenue	1,244	1,222	(2)
OPI	99	135	36
ROS (in %)	8.0	11.0	

The Q1 2014 report can be downloaded via the AkzoNobel Report iPad app <http://bit.ly/obljrf> or read online at www.akzonobel.com/quarterlyresults.

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AkzoNobel is a leading global paints and coatings company and a major producer of specialty chemicals. We supply industries and consumers worldwide with innovative products and are passionate about developing sustainable answers for our customers. Our portfolio includes well-known brands such as Dulux, Sikkens, International and Eka. Headquartered in Amsterdam, the Netherlands, we are consistently ranked as one of the leaders in the area of sustainability. With operations in more than 80 countries, our 50,000 people around the world are committed to delivering leading products and technologies to meet the growing demands of our fast-changing world.

Not for publication – for more information

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Safe Harbor Statement

This press release contains statements which address such key issues as AkzoNobel's growth strategy, future financial results, market positions, product development, products in the pipeline, and product approvals. Such statements should be carefully considered, and it should be understood that many factors could cause forecasted and actual results to differ from these statements. These factors include, but are not limited to, price fluctuations, currency fluctuations, developments in raw material and personnel costs, pensions, physical and environmental risks, legal issues, and legislative, fiscal, and other regulatory measures. Stated competitive positions are based on management estimates supported by information provided by specialized external agencies. For a more comprehensive discussion of the risk factors affecting our business please see our latest Annual Report, a copy of which can be found on the company's corporate website www.akzonobel.com.