

## Press release

April 21, 2015

### AkzoNobel publishes Q1 2015 results

#### ***Solid first quarter for AkzoNobel***

- Operating income up 42 percent at €306 million (2014: €216 million), reflecting the effects of process optimization, reduced restructuring expenses, lower costs and favorable currencies
- Revenue up 6 percent due to 8 percent favorable currency effects
- Improved performance with ROS at 8.5 percent (2014: 6.4 percent); and ROI at 10.6 percent (2014: 9.7 percent)
- Net income attributable to shareholders up 24 percent at €160 million
- Adjusted EPS up 25 percent at €0.76 (2014: €0.61)
- Net cash outflow from operating activities was €622 million (2014: €552 million)
- Overall market conditions remain challenging
- On track to deliver 2015 targets

#### **Q1 2015 in € million**

	Q1 2014	Q1 2015	Δ %
Revenue	3,383	<b>3,591</b>	6
Operating income	216	<b>306</b>	42
Return on sales (ROS) %	6.4	<b>8.5</b>	
EBITDA	364	<b>462</b>	27
Net income attributable to shareholders	129	<b>160</b>	24

#### **Akzo Nobel N.V. (AKZA.AS; AKZOY) today reported a solid first quarter with positive developments in all three Business Areas despite a challenging market environment.**

First quarter operating income increased 42 percent to €306 million, reflecting the effects of process optimization efforts, reduced restructuring expenses, lower costs and favorable currency effects. Revenues of €3,591 million were up 6 percent compared with the same period last year – an 8 percent impact of currency translation effects was offset by lower volumes, reflecting a slow start to the year. Profitability improved, with return on sales at 8.5 percent compared with 6.4 percent last year.

#### **CFO Maëlys Castella:**

“Our results for the first quarter demonstrate that AkzoNobel is continuing to deliver an improved performance in a challenging economic environment. Our strategy is working, and its positive effects are becoming increasingly visible in our results. We continue to build on this strong foundation to further increase our profitability and we remain on track to deliver our 2015 targets.”

**Decorative Paints** achieved a solid growth in profitability, with operating income and revenue both increasing. Revenue was up 3 percent compared with 2014, due to a 7 percent favorable currency effect, but offset by an adverse volume impact and the sale of the German stores. Operating income showed a clear improvement with an increase of 194 percent, mainly due to the benefits of our new operating model in Europe, strict cost containment, lower restructuring costs and favorable currency developments. Volumes for the first quarter were up in Latin America, but down in Asia and Europe due to a slow start of the season.

**Performance Coatings** continued to benefit from the delayering and simplification of its business structure. Revenue was up in all businesses, benefiting from favorable currency effects and price/mix. Operating income increased 35 percent due to cost reductions generated by improvement activities, including the simplification of the business structure, cost control measures, currencies and lower restructuring expenses. Volumes increased in North America but declined in other regions, with performance across segments being mixed regionally.

**Specialty Chemicals** further improved its profitability. Revenue was up 6 percent as a result of favorable currency effects. Operating income rose 21 percent versus last year due to continuous improvement measures, cost focus, lower restructuring costs and favorable currency developments. Volumes were flat overall, with a mixed and volatile picture across segments and regions. Volumes in the US continued to perform well, while there was more modest growth in China.

### Outlook

We anticipate that exchange rate movements and lower growth rates in high growth economies will principally determine the dynamics of 2015. The preparations made in 2013 and 2014 form a sound basis for improved performance. AkzoNobel remains on track to deliver its 2015 targets\*.

### Business Area highlights in € million

#### Decorative Paints

	Q1 2014	Q1 2015	Δ%
Revenue	865	890	3
Operating income	17	50	194
ROS %	2.0	5.6	
EBITDA	56	88	57

#### Performance Coatings

	Q1 2014	Q1 2015	Δ%
Revenue	1,319	1,430	8
Operating income	126	170	35
ROS %	9.6	11.9	
EBITDA	163	206	26

#### Specialty Chemicals

	Q1 2014	Q1 2015	Δ%
Revenue	1,222	1,296	6
Operating income	135	163	21
ROS %	11.0	12.6	
EBITDA	204	242	19

\* Overall targets for the full year 2015 are 9.0 percent return on sales and 14.0 percent return on investment

The Q1 2015 report can be downloaded via the AkzoNobel Report iPad app <http://bit.ly/obljrf> or read online at [www.akzonobel.com/quarterlyresults](http://www.akzonobel.com/quarterlyresults).

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AkzoNobel is a leading global paints and coatings company and a major producer of specialty chemicals. Calling on centuries of expertise, we supply industries and consumers worldwide with innovative products and sustainable technologies designed to meet the growing demands of our fast-changing planet. Headquartered in Amsterdam, the Netherlands, we have approximately 46,000 people in around 80 countries, while our portfolio includes well-known brands such as Dulux, Sikkens, International, Interpon and Eka. Consistently ranked as one of the leaders in the area of sustainability, we are committed to making life more liveable and our cities more human.

#### Not for publication – for more information

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**Safe Harbor Statement**

This press release contains statements which address key issues such 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 our website [www.akzonobel.com](http://www.akzonobel.com)