

Media release

October 22, 2015

Continued increase in profitability despite challenging market conditions

AkzoNobel publishes Q3 2015 results

- **Operating income** up 30 percent at €436 million (2014: €335 million)
- **Revenue** up 2 percent to €3.8 billion (2014: €3.7 billion), due to 4 percent favorable currency effects, offset by divestments and slightly lower volumes
- Improved performance with **return on sales** at 11.6 percent (2014: 9.1 percent); and **return on investment** at 12.5 percent (2014: 10.5 percent)
- **Net income attributable to shareholders** up 39 percent at €285 million (2014: €205 million)
- **Adjusted earnings per share (EPS)** up 35 percent at €1.24 (2014: €0.92)
- **Net cash inflow from operating activities** at €583 million (2014: €489 million)
- **Interim dividend** up 6 percent to €0.35 per share (2014: €0.33)
- Ranked **number one on the Dow Jones Sustainability Index** in the Materials industry group for the fourth consecutive year
- On track to deliver **2015 targets***

Akzo Nobel N.V. (AKZA.AS; AKZOY) today reported third quarter results which show positive developments in profitability in all three Business Areas, despite a challenging market environment.

Third quarter operating income increased 30 percent to €436 million, reflecting the positive effects of process optimization, lower costs, reduced restructuring expenses and favorable currency developments. Revenue of €3,760 million was up 2 percent compared with the same period last year, due to favorable currency effects, offset by divestments and slightly lower volumes. Return on sales improved to 11.6 percent, while return on investment rose to 12.5 percent.

CFO Maëlys Castella:

"We continue to see the benefits of our ongoing business transformation, including our new organizational structure and focus on operational excellence. During Q3 we saw increased profitability across all three of our Business Areas, despite the challenging market conditions. Our focus on sustainability was recognized as we maintained our number one position on the Dow Jones Sustainability Index for the fourth consecutive year. We remain on track to deliver our 2015 targets."

Q3 2015 in € million

	Q3 2014	Q3 2015	Δ %
Revenue	3,686	3,760	2
Operating income	335	436	30
Return on sales (ROS) %	9.1	11.6	
EBITDA	487	590	21
Net income attributable to shareholders	205	285	39

Year-to-date January - September 2015 in € million

	YTD 2014	YTD 2015	Δ %
Revenue	10,779	11,300	5
Operating income	904	1,228	36
Return on sales (ROS) %	8.4	10.9	
EBITDA	1,360	1,662	22
Net income attributable to shareholders	539	776	44

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

Decorative Paints operating income improved by 7 percent due to the new operating model, lower costs and currency developments. Revenue was flat, with favorable currency effects being offset by adverse price/mix. Volumes were up in Asia, while volumes were down for Latin America and Europe, which includes amongst others Russia and Turkey.

Performance Coatings operating income was up 56 percent, driven by cost reductions from performance improvement initiatives, lower costs, favorable product mix, lower restructuring charges and favorable currency developments. Revenue was up 5 percent, benefiting from favorable currencies and continued strong demand for premium products. Volumes declined in the quarter due to ongoing capital spending declines in the global oil and gas industry, and further weakening in some markets, most notably Brazil and China.

Specialty Chemicals operating income was up 4 percent, supported by the benefits from further increased production at its new Frankfurt plant, lower costs and operational efficiencies throughout the business. Revenue was flat due to favorable currency effects offsetting the impact of the divested Paper Chemicals business and adverse price/mix in several segments. Volumes overall were flat. Growth in some segments compensated for lower demand in oil drilling segments, which mainly impacted Surface Chemistry and Functional Chemicals.

Outlook

The market outlook is unchanged with positive trends in North America and no improvement for Europe overall as well as a challenging environment in some countries, including Russia, Brazil and China. Based on current rates, the positive impact of foreign currencies is expected to moderate in the fourth quarter. We are on track to deliver our 2015 targets.

Business Area highlights in € million

Decorative Paints

Q3 2014	Q3 2015	Δ%		YTD 2014	YTD 2015	Δ%
1,050	1,052	-	Revenue	2,989	3,076	3
113	121	7	Operating income	232	299	29
10.8	11.5		ROS %	7.8	9.7	
150	159	6	EBITDA	347	412	19

Performance Coatings

Q3 2014	Q3 2015	Δ%		YTD 2014	YTD 2015	Δ%
1,420	1,493	5	Revenue	4,173	4,473	7
135	210	56	Operating income	439	600	37
9.5	14.1		ROS %	10.5	13.4	
170	246	45	EBITDA	545	709	30

Specialty Chemicals

Q3 2014	Q3 2015	Δ%		YTD 2014	YTD 2015	Δ%
1,239	1,235	-	Revenue	3,689	3,821	4
156	163	4	Operating income	415	518	25
12.6	13.2		ROS %	11.2	13.6	
232	242	4	EBITDA	640	727	14

The Q3 2015 report can be downloaded via the AkzoNobel Report iPad app <http://bit.ly/obljrf> or read online at www.akzonobel.com/quarterlyresults.

- - -

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

Corporate Media Relations
T +31 (0)20 – 502 7833
Contact: Diana Abrahams

Corporate Investor Relations
T +31 (0)20 – 502 7854
Contact: Lloyd Midwinter

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