

Media release

February 10, 2016

AkzoNobel successfully delivers on 2015 targets

Akzo Nobel N.V. (AKZA.AS; AKZOY)

Full-year results 2015

- **Successfully delivered 2015 financial targets:**
A record year, with **return on sales** at 10.6 percent and **return on investment** at 15.0 percent. **Net debt/EBITDA** at 0.6
- **Total dividend** proposed for 2015 up 7 percent at €1.55 (2014: €1.45)
- **Operating income** up 59 percent at €1,573 million, as a result of process optimization, lower costs, reduced restructuring expenses, favorable currency development and incidental items
- **Revenue** up 4 percent to €14,859 million (2014: €14,296 million), due to 6 percent favorable currency effects, partly offset by divestments and lower volumes
- **Adjusted earnings per share** (EPS) up 43 percent at €4.02 (2014: €2.81)
- **Net income attributable to shareholders** up 79 percent at €979 million (2014: €546 million)
- **Net cash inflow from operating activities** up 40 percent at €1,136 million (2014: €811 million)
- **Ranked number one** on the Dow Jones Sustainability Index in the Materials industry group
- **2016** expected to be a challenging year

AkzoNobel today reported fourth quarter and full-year results including the successful delivery on 2015 financial targets. Full-year operating income increased 59 percent to €1,573 million (excluding incidentals up 36 percent at €1,462 million), as a result of process optimization, lower costs, reduced restructuring expenses, favorable currency developments and incidental items. The company was recognized as a leader in the field of sustainability by the Dow Jones Sustainability Index (the Materials industry group) for the fourth year in a row.

CEO Ton Büchner:

"We successfully achieved our 2015 financial targets in what was a record year for AkzoNobel in a number of areas including return on sales, return on investment and sustainability. The proposed increase of the total dividend is also a clear sign that we are more confident about our cashflow generation.

Looking ahead, we expect 2016 to be a challenging year and anticipate limited support from the markets in which we operate. We will continue to build on our foundation of operational excellence, adding organic growth and innovation to the next phase of our strategy, creating everyday essentials to make lives more liveable and inspiring."

Performance on our 2015 targets

	2015 target	2015 result	2015 results excl. incidentals
Return on sales (ROS) %	9.0	10.6	9.8
Return on investments (ROI) %	14.0	15.0	14.0
Net debt/EBITDA	<2.0	0.6	0.6

Full-year 2015 in € million

	FY 2014	FY 2015	Δ %
Revenue	14,296	14,859	4
Operating income	987	1,573	59
Operating income excl. incidental items	1,072	1,462	36
Return on sales (ROS) %	6.9	10.6	
Return on sales (ROS) % excl. incidental items	7.5	9.8	
EBITDA	1,690	2,088	24
Net income attributable to shareholders	546	979	79

Q4 2015 in € million

	Q4 2014	Q4 2015	Δ %
Revenue	3,517	3,559	1
Operating income	83	345	316
Operating income excl. incidental items	168	268	60
Return on sales (ROS) %	2.4	9.7	
Return on sales (ROS) % excl. incidental items	4.8	7.5	
EBITDA	330	426	29
Net income attributable to shareholders	7	203	

Decorative Paints: Full-year operating income increased by 39 percent as a result of the new operating model, lower costs, reduced restructuring expenses and currency developments. Revenue was up 3 percent due to favorable currencies offsetting adverse price/mix and volumes. Volumes were down 1 percent overall for the full-year, with positive developments in Asia offset by Latin America and Europe.

Performance Coatings: Full-year operating income was up 45 percent, due to performance improvement initiatives, management delayering, lower costs, reduced restructuring expenses and currencies. Revenue was up 7 percent, driven by favorable price/mix and currencies offsetting lower volumes. Volumes were down 2 percent across the segments, impacted by lower demand in Brazil and ongoing spending declines in the global oil and gas industry.

Specialty Chemicals: Full-year operating income was up 20 percent due to continuous improvement programs, favorable currency effects, lower costs and incidental items. Revenue was up 2 percent due to favorable currency effects, partly offset by the divestment of the Paper Chemicals business and adverse price effects. Overall volumes were flat.

Business Area highlights in € million

Decorative Paints

Q4 2014	Q4 2015	Δ%		FY 2014	FY 2015	Δ%
920	931	1	Revenue	3,909	4,007	3
16	46	188	Operating income	248	345	39
1.7	4.9		ROS %	6.3	8.6	
58	83	43	EBITDA	405	495	22

Performance Coatings

Q4 2014	Q4 2015	Δ%		FY 2014	FY 2015	Δ%
1,416	1,482	5	Revenue	5,589	5,955	7
106	192	81	Operating income	545	792	45
7.5	13.0		ROS %	9.8	13.3	
142	229	61	EBITDA	687	938	37

Specialty Chemicals

Q4 2014	Q4 2015	Δ%		FY 2014	FY 2015	Δ%
1,194	1,167	(2)	Revenue	4,883	4,988	2
93	91	(2)	Operating income	508	609	20
7.8	7.8		ROS %	10.4	12.2	
175	171	(2)	EBITDA	815	898	10

Outlook

We expect 2016 to be a challenging year. Difficult market conditions continue in Brazil, China and Russia. No significant improvement is anticipated in Europe, particularly in the Buildings and Infrastructure segment. Deflationary pressures continue and currency tailwinds are moderating.

More information on our financial guidance for 2016-2018 can be found on www.akzonobel.com.

The Q4 and full-year 2015 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. 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 45,000 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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