

AkzoNobel India- building the future....

Mumbai
March 7, 2013



Welcome to AkzoNobel in India

Hyderabad Plant



Corporate Office.
Gurgaon



Mohali Plant



Thane Plant



Bangalore Plant



Mahad Plant



Current AkzoNobel footprint in India

- 1,633 employees
- 5 plants
- 14 offices
- 75 warehouses
- 8,500 dealers
- 2 World Class Research Centres- Thane & B'lore

Mumbai : Functional
Chemicals, Surface
Chemistry

Thane : Decorative
Paints

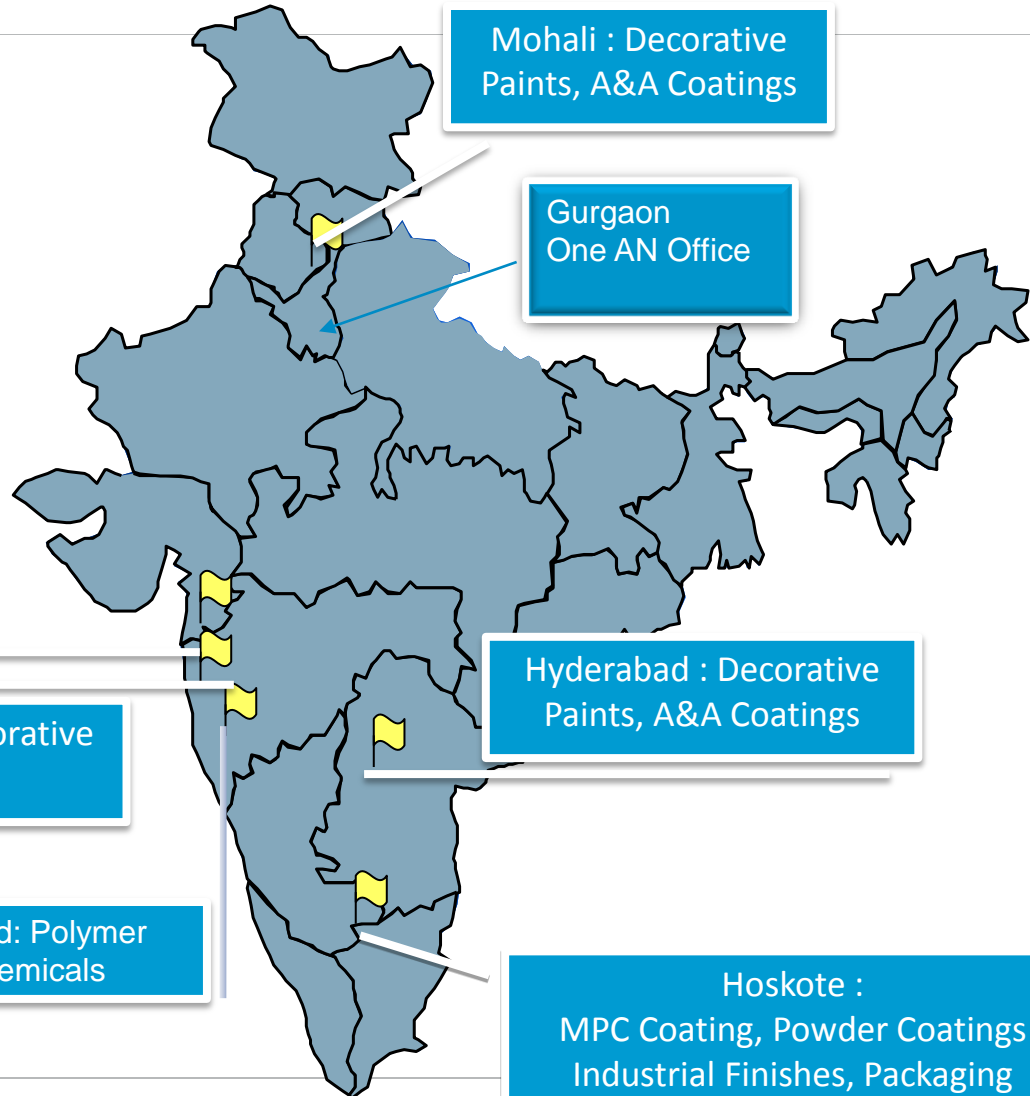
Mahad: Polymer
Chemicals

Mohali : Decorative
Paints, A&A Coatings

Gurgaon
One AN Office

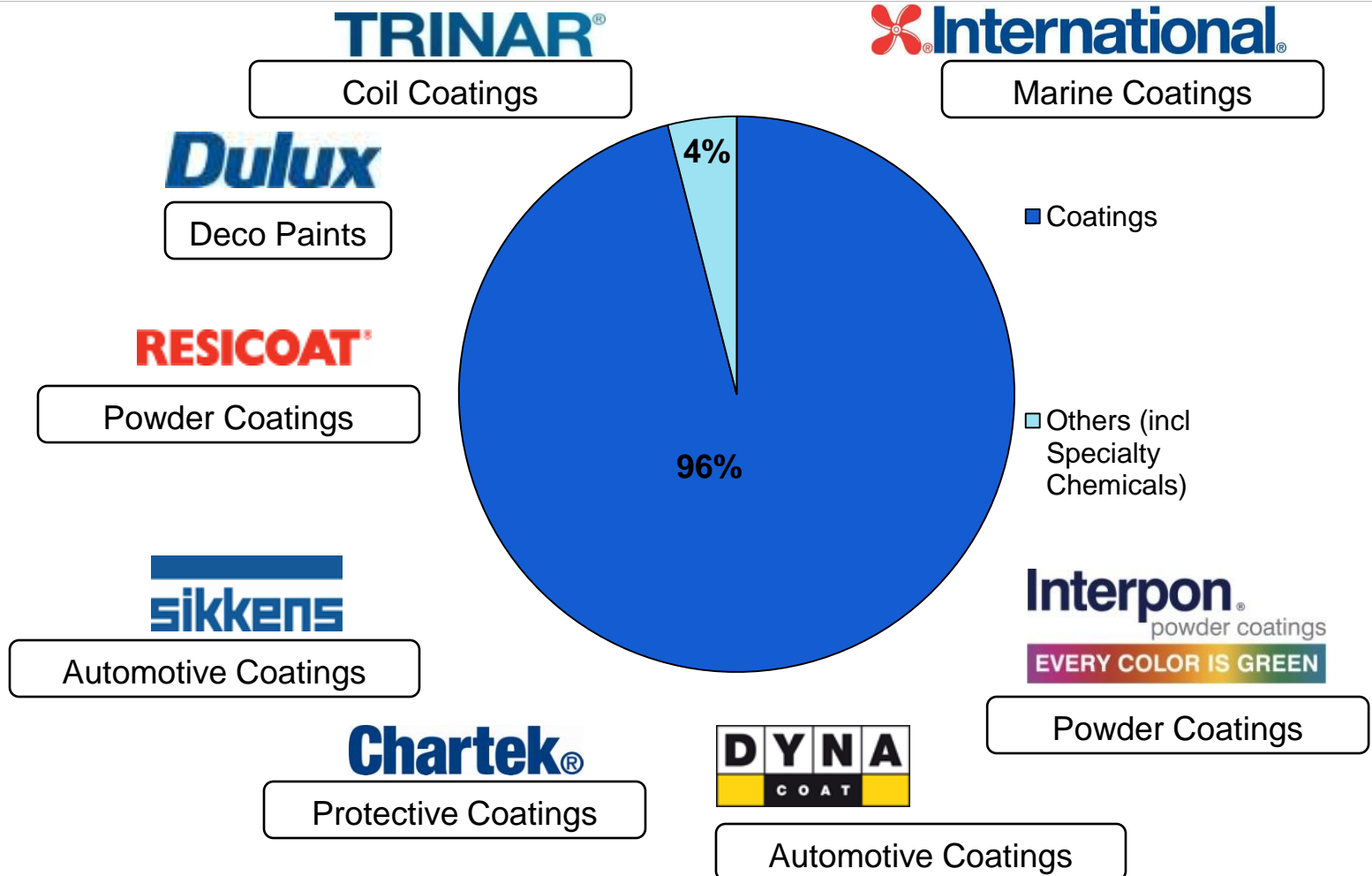
Hyderabad : Decorative
Paints, A&A Coatings

Hoskote :
MPC Coating, Powder Coatings
Industrial Finishes, Packaging
Coatings, A&A Coatings

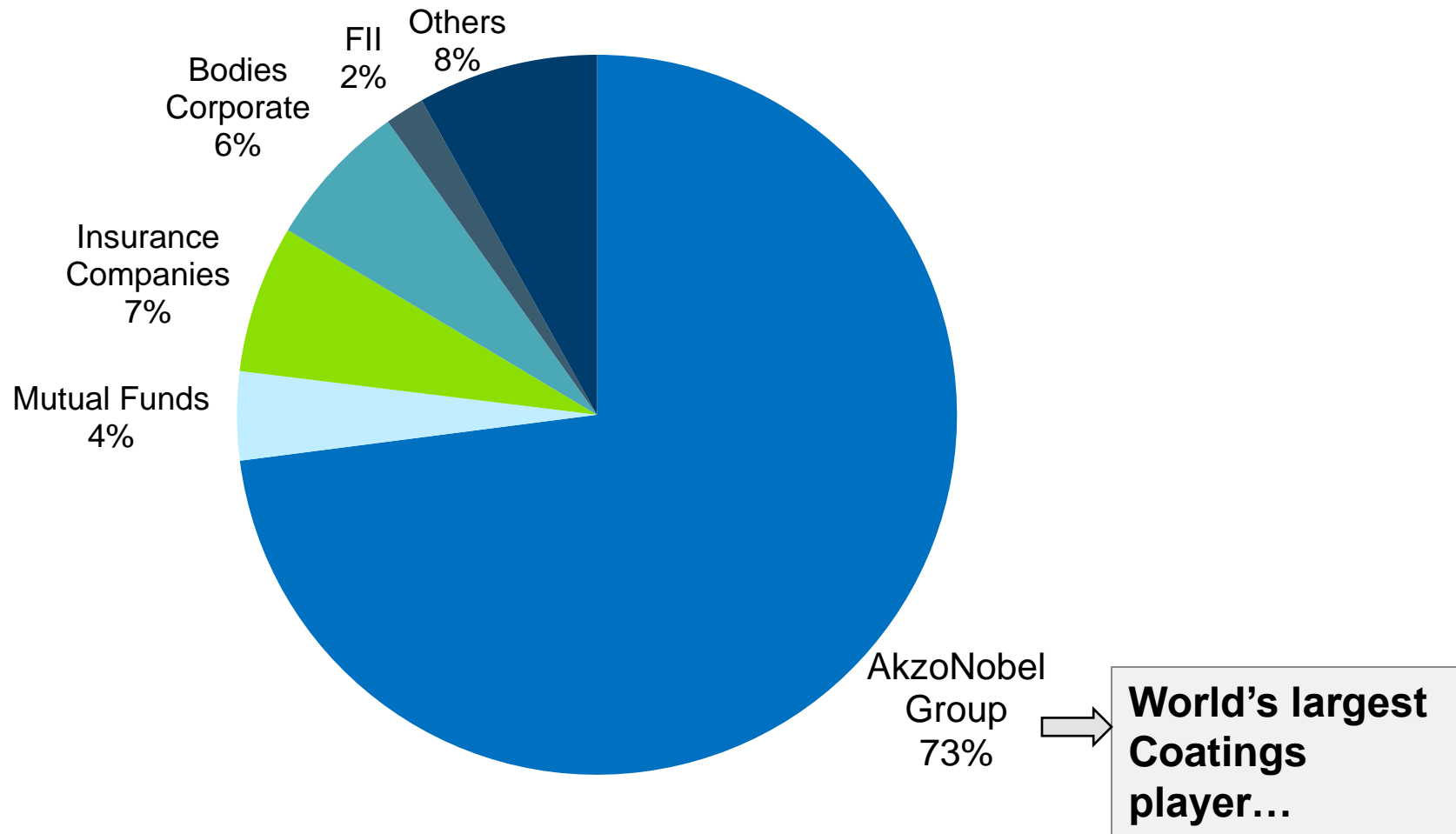


AkzoNobel in India post merger...a portfolio to reckon with..

AkzoNobel



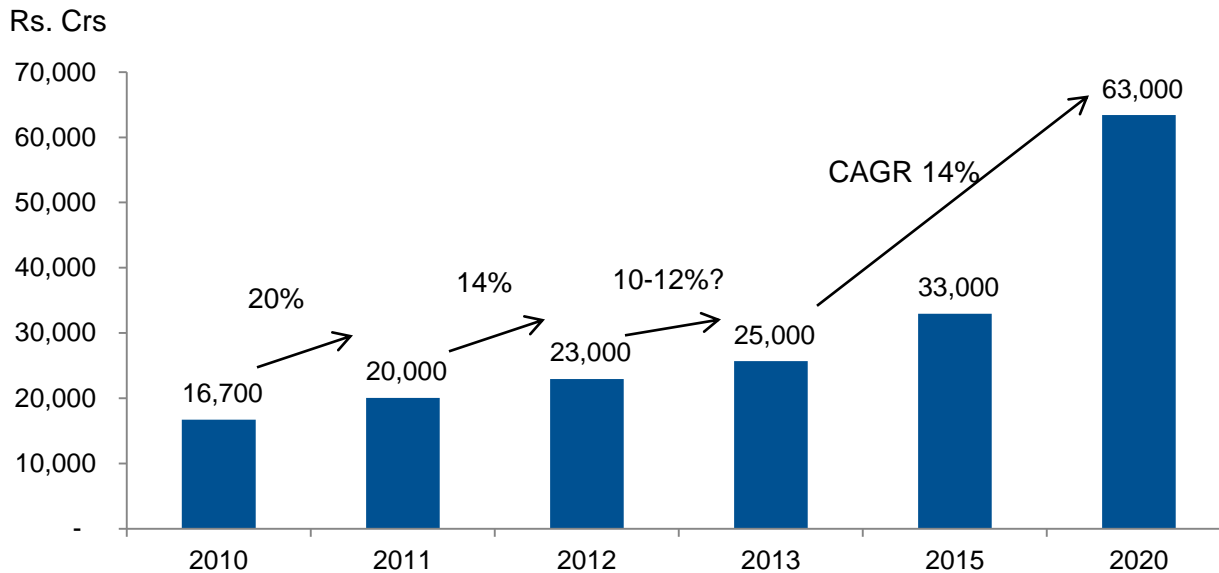
Current Shareholding Pattern (Feb 2013)



Indian Coatings Market and Consumer Trends



Coatings market – anticipated blip in growth story



Market growth drivers

Inherent growth in the construction industry

- Demographic changes
- Greater prosperity
- Infrastructure investment

Shift to mid and premium tier as consumers trade up

- GDP/capita to increase 3.5x by 2020 touching same levels as Brazil today
- Faster internal repaint cycles expected

Macro Trends for Coatings Industry



How global megatrends affect our industry

Population growth

6.8 billion people today to over 9 billion in 2050



Climate change

increase the need for energy efficiency and low carbon & renewable energy sources



Quality of life

a new middle class
3 billion people emerging over the next 20 years



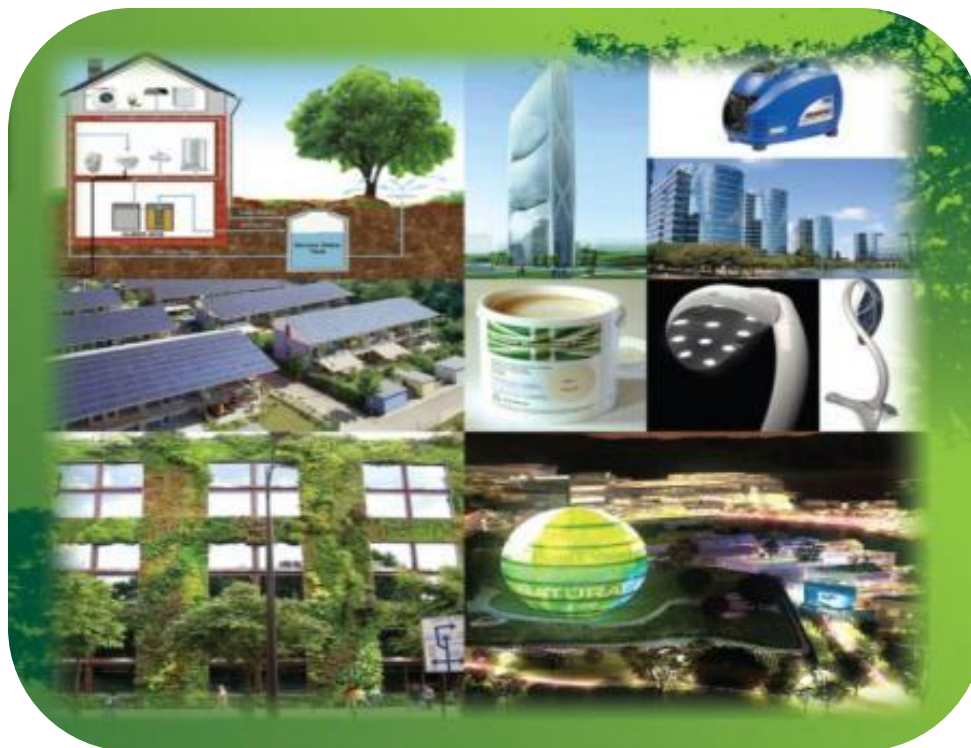
Scarcity of natural resources

drives innovation
today we use replenishment capacity of 1.4 planets



Evolving the sustainability of living spaces

New living spaces globally will increasingly become carbon zero with sustainability built into their DNA.



ANI's WeatherShield SunReflect reduces temperatures of external surfaces by almost 5 degree Celsius & result in energy savings by almost 10%

Rapidly Advancing Technologies

Nano technology, Memory Polymers – stretching the possibilities of what coatings can do

Mono functional to Multi functional RM



Structural shift to water-based coatings

Changing Retail Environment

Experiential
Inspirational
Targeted
Use of augmented reality



Dulux iPhone App



Decorator Centers empowering consumers on decoration decisions

This is an exciting industry

Colour

Growth

Innovation

Collaboration

Room for most players to grow



AkzoNobel India – Lines of Businesses



- Coatings
- Specialty Chemicals

Decorative Paints

AkzoNobel



3 Manufacturing Sites



Products Range



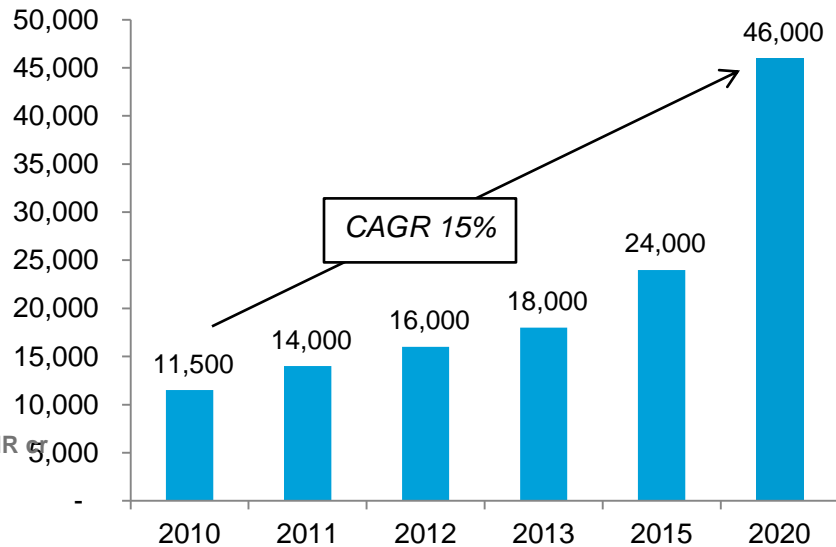
Servicing 8,000+ Retailers



63 Warehouses

Decorative Industry doubling in 5 years

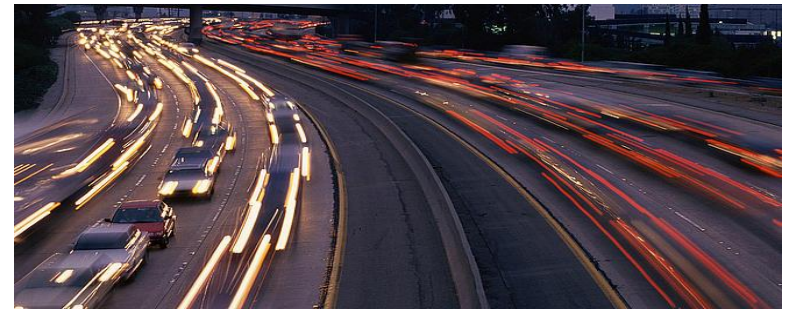
Market Growth



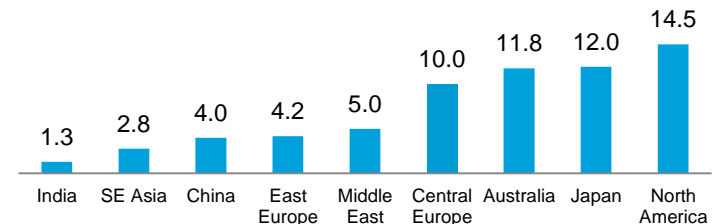
Market anticipated to bounce back in late 2013, early 2014 due to

- Softening of input cost
- Increasing sophistication of retail environment

Drivers



Per Capita Consumption



Demand driven by

- urbanization and revival of realty industry
- Shift towards higher margin water-based products and premium emulsions

AkzoNobel India: Premium portfolio

Performance Coatings



Manufacturing Sites at Bangalore and Mohali



Our Brands



International Research Center at Bangalore

Our Businesses



Industrial



Automotive Coatings

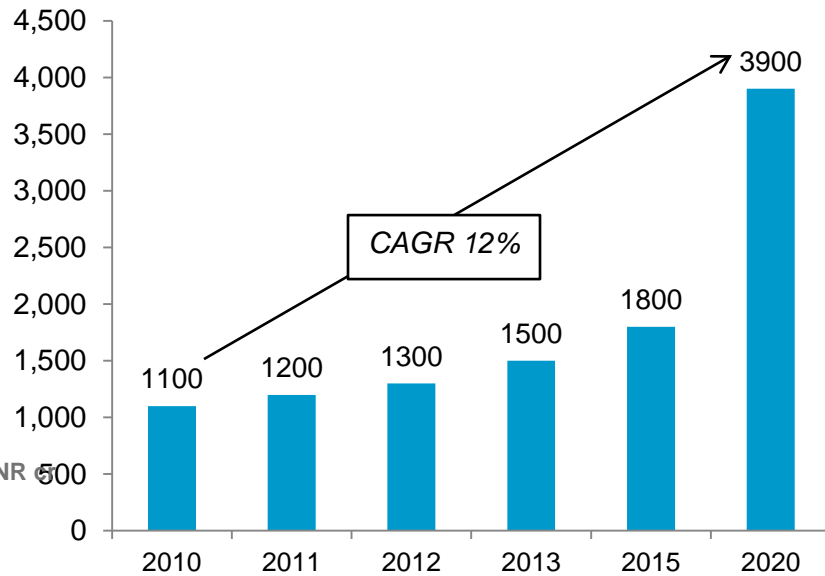


Powder Coatings



Protective Coatings

Market Growth



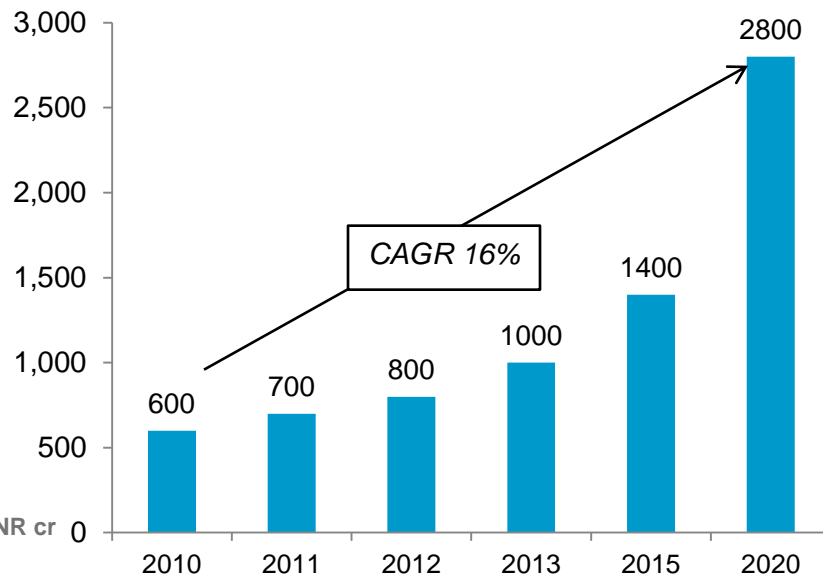
Drivers

- Technology shift from 1K to 2K and from solvent to water-base
- One of the fastest growing automobile market – emerging auto hub
- Emergence of MSO (Multi shop operators) chains e.g My TVS, Carz, Bosch.

AkzoNobel India: End-to-end coatings solution for the car refinish sector

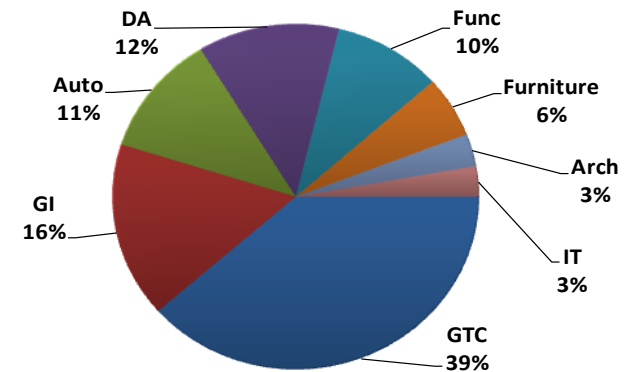
Powder Coatings Outlook in India

Market Growth



Drivers

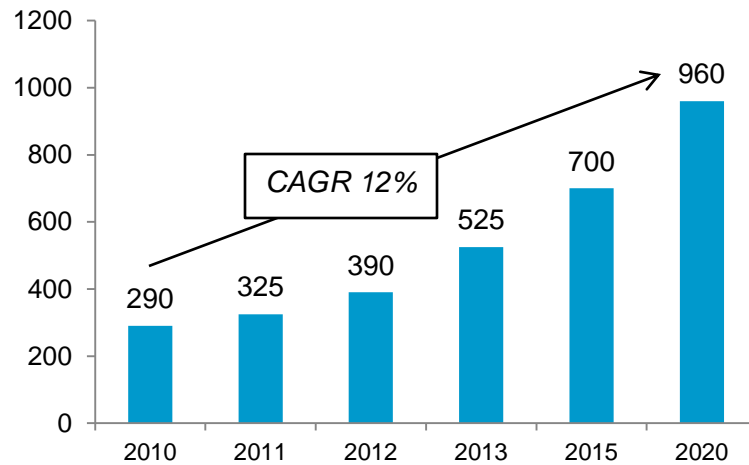
- Conversion from Liquid to powder
- Investment by Global companies
- Expanded capacity for autobody, commercial and monumental constructions



AkzoNobel India: Eco friendly technology

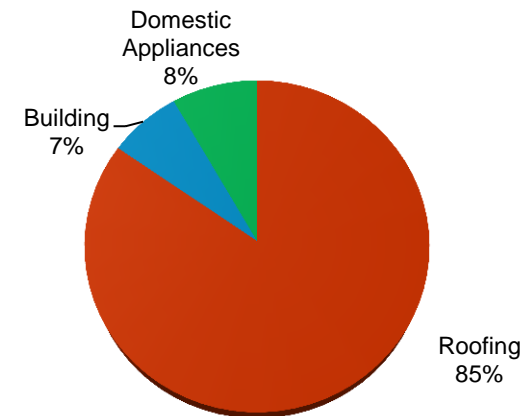
Coil Coatings Outlook in India

Market Growth



Drivers

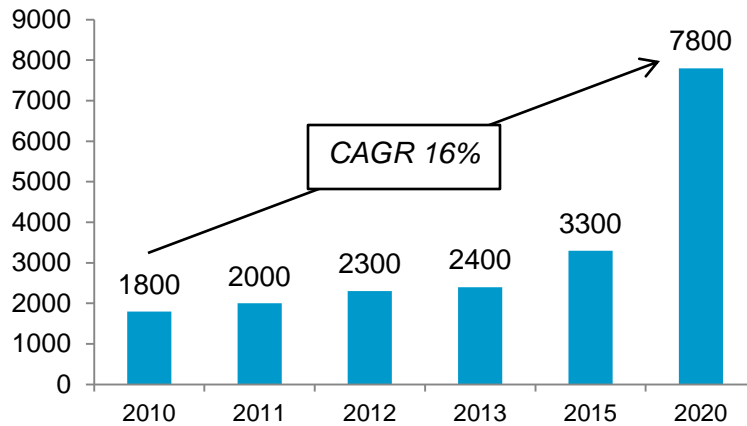
- Infrastructure investment will lead mid tier segment to grow at CAGR 12%
- 20 Coil Lines to grow to 25 lines by 2015



AkzoNobel India: Global track record of product range

Protective Coatings Outlook in India

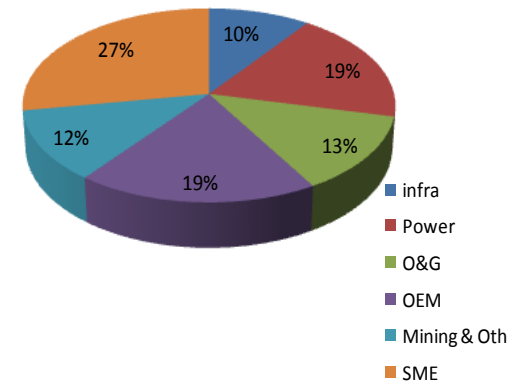
Market Growth



Drivers

- Planned power capacity of 15-20 Gigawatt p.a.
- Infrastructure investment
- Investments in high growing segments lead to OEM growth that supply equipment

Mkt Potential - PC



AkzoNobel India: Key coatings supplier for wind sector/ thermal projects

Specialty Chemicals



Manufacturing Site at Mahad

- Organic Peroxides (HPOP)
- Metal Alkyl (HPMA)
- Sale XTP & HPOP Products

Surface Chemistry

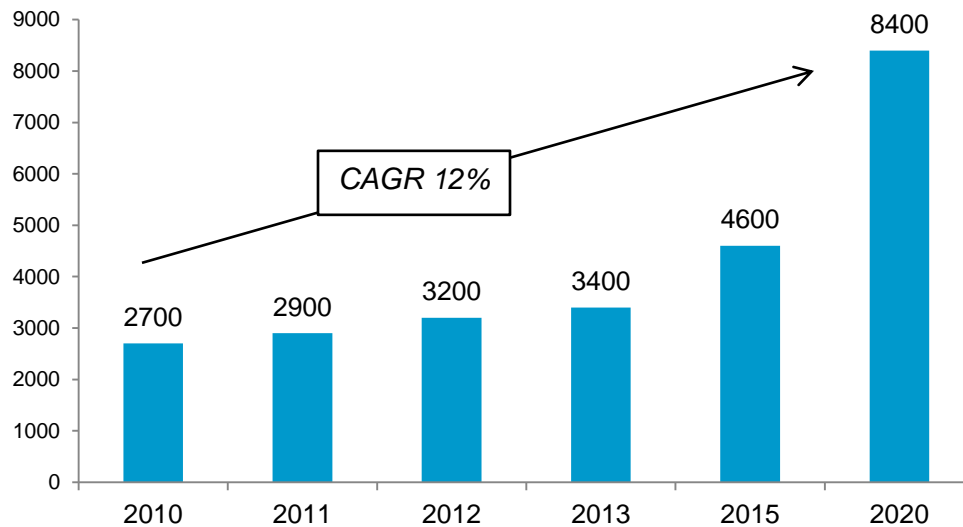


Functional Chemistry



Specialty Chemicals Outlook in India

Market Growth

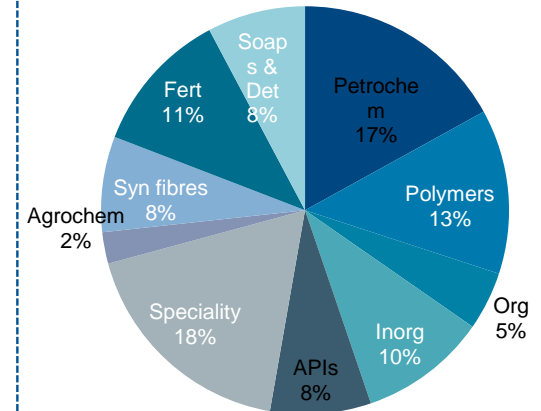


Drivers

Market size for 3 active BU's is expected to grow to around INR 8,400 cr by 2020

All end user segment growth projected ~12%

Market Segments



Leading market positions delivering leading performance

AkzoNobel

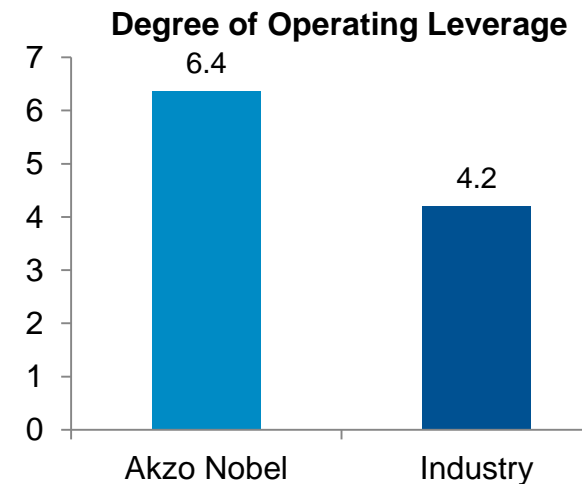
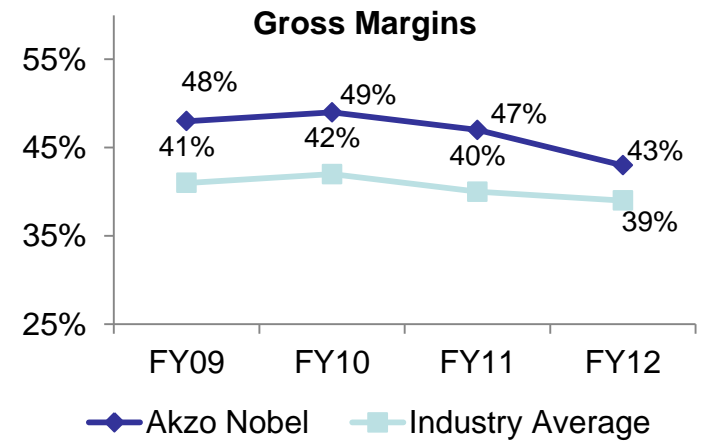
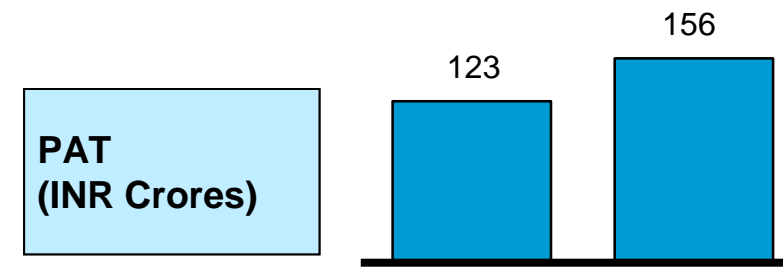
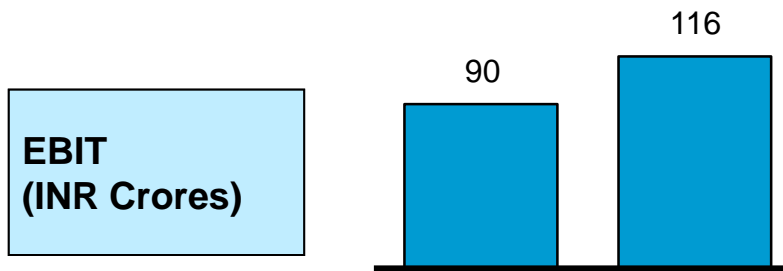
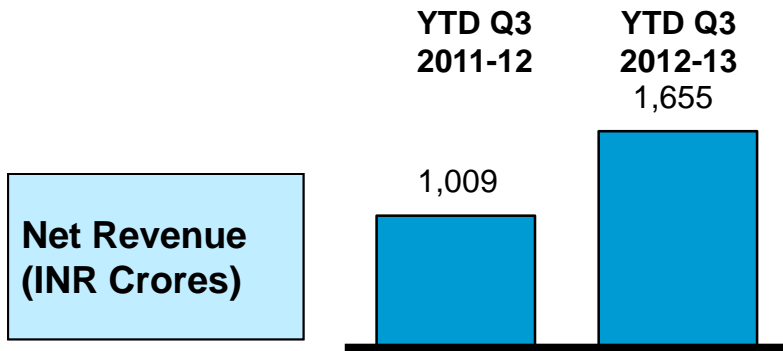
- Comprehensive coatings portfolio
- Strong brands, both in B2B and B2C segments
- Good long-term growth potential
- Technology & Innovations flowing through global Business Units
- Adequate capacities to support growth
- Excellent customer relationships



Key Financial Parameters



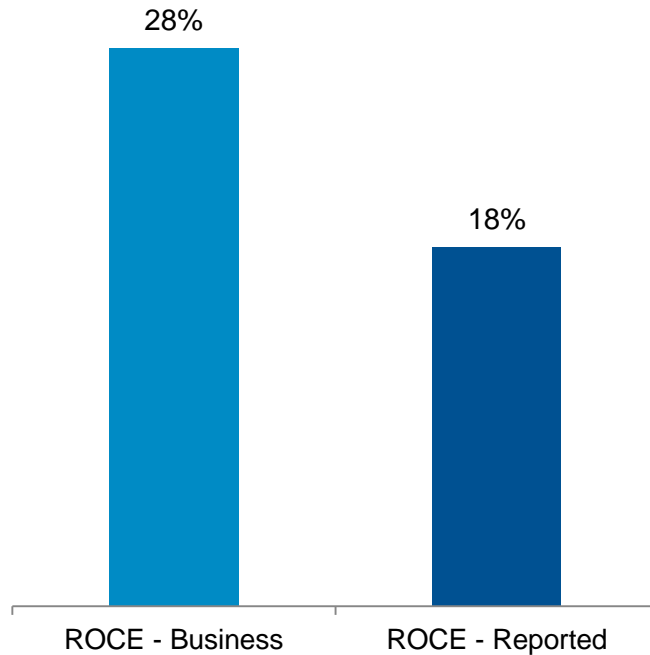
Margins reflecting Industry trends...



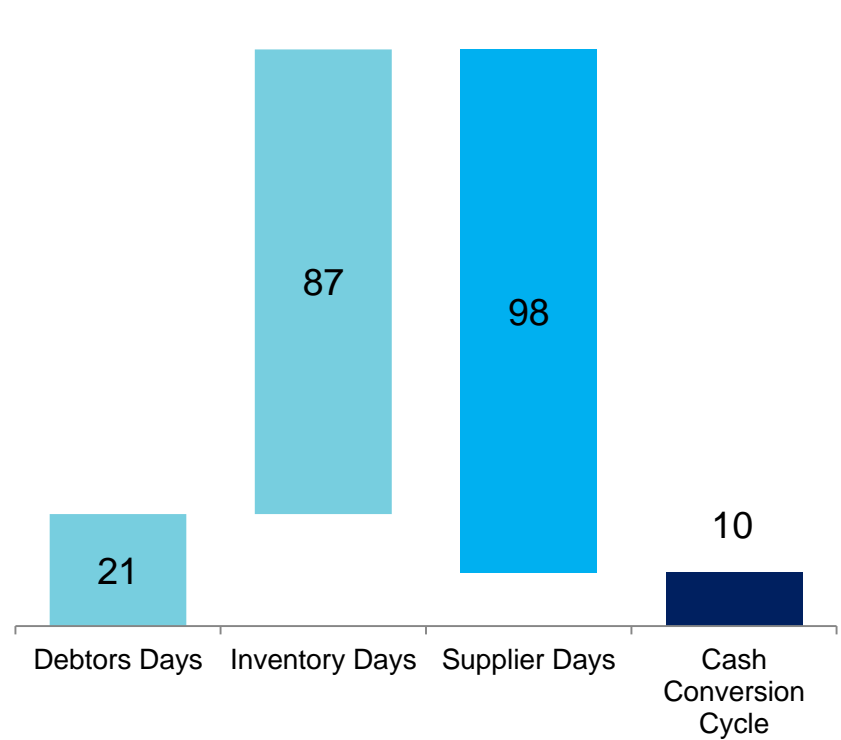
The results for PY do not include numbers of merging companies and are not comparable

Robust Financial parameters

ROCE (as at Dec 31, 2012)



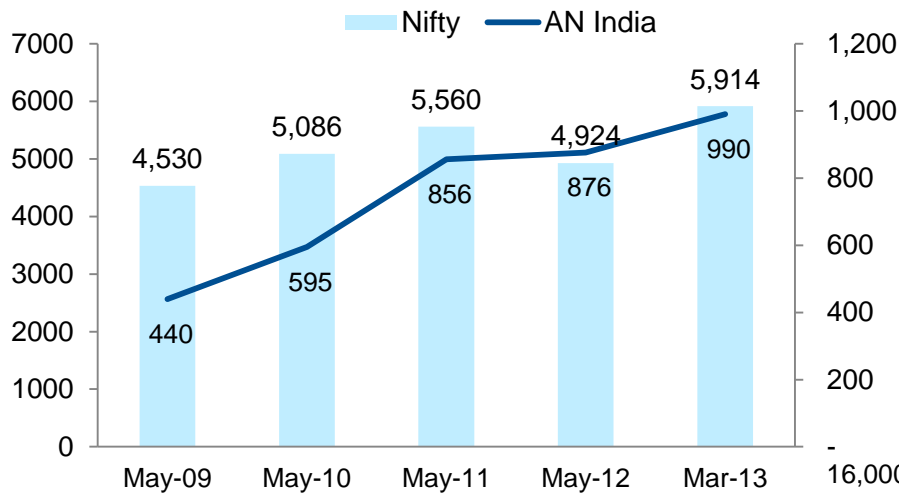
Cash Conversion Cycle (FY12)



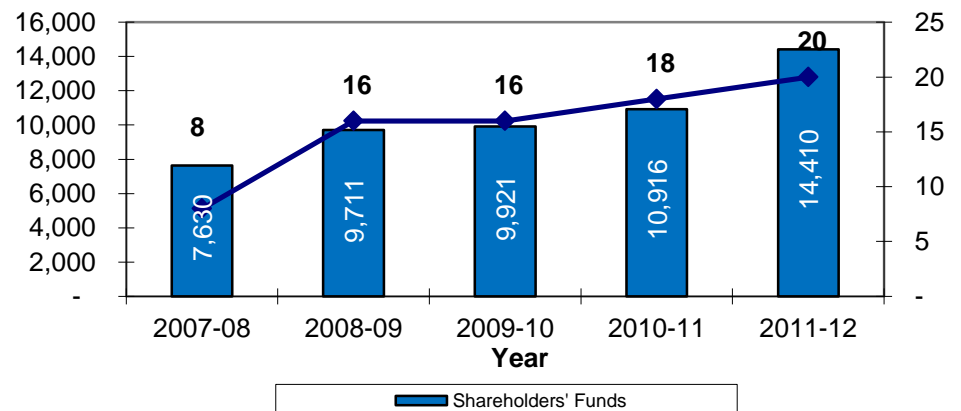
Consistent growth in shareholder value

AkzoNobel

Share Price Movement (INR)



Shareholders' Funds (INR million) & Dividend (INR)



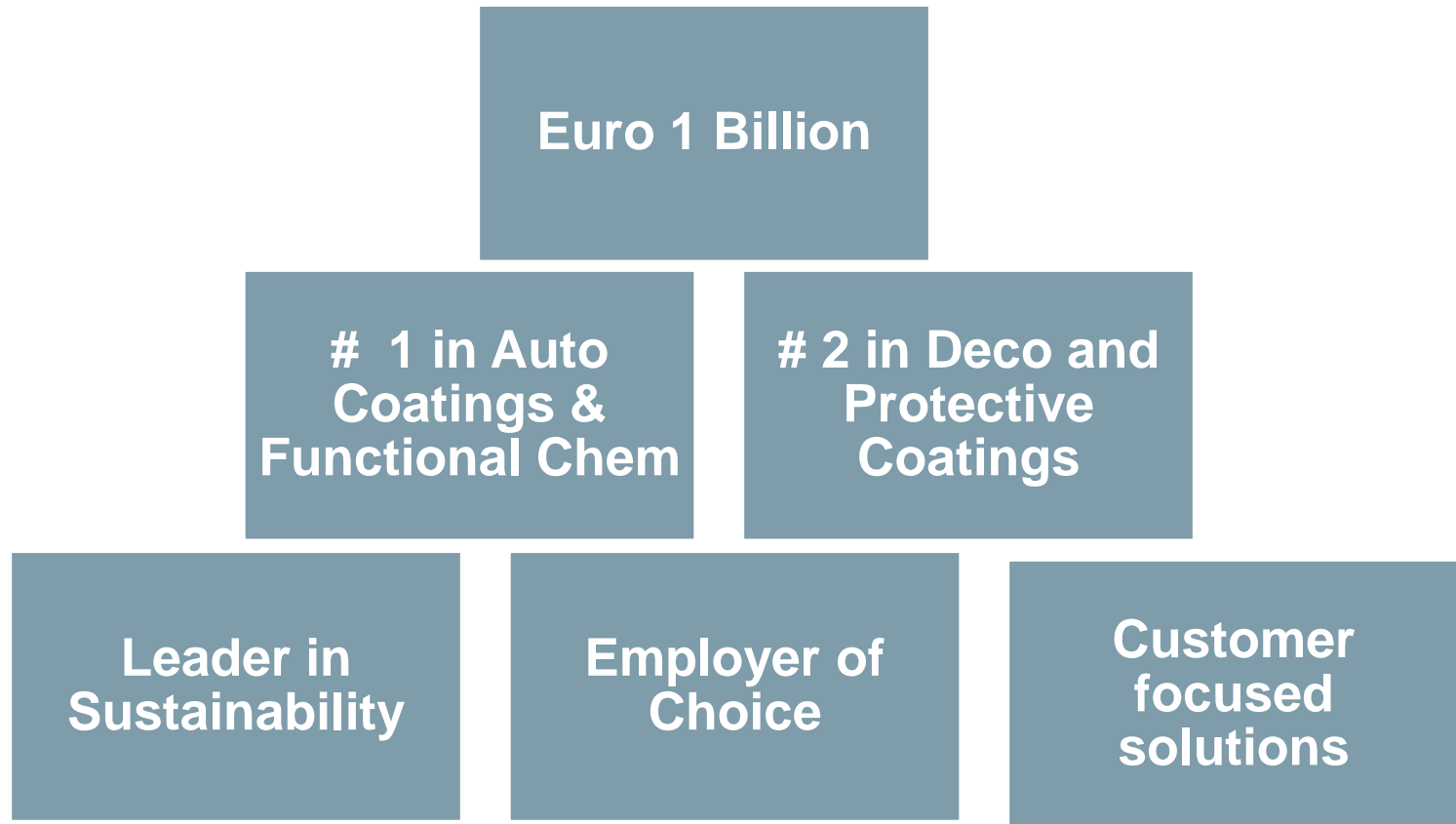
Building the growth momentum

AkzoNobel



Our 5 year aspiration ...

AkzoNobel



Opportunities for Scale Benefits

Merger has enabled customer focus and a more responsive organisation

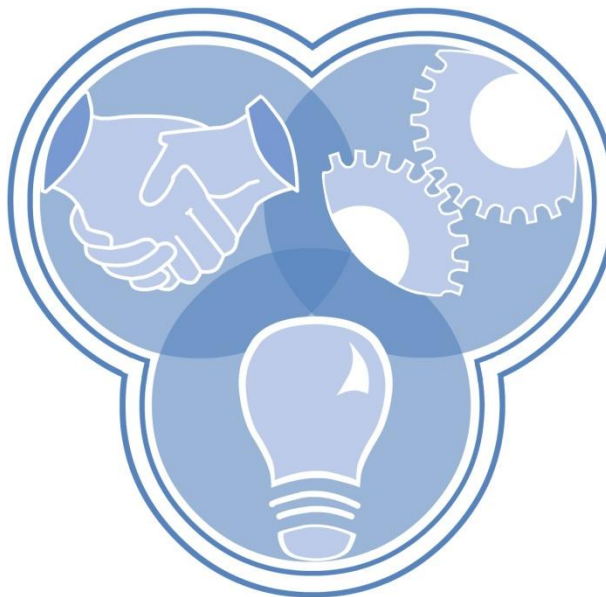
Opportunity to invest ahead of market

Unified face to customers

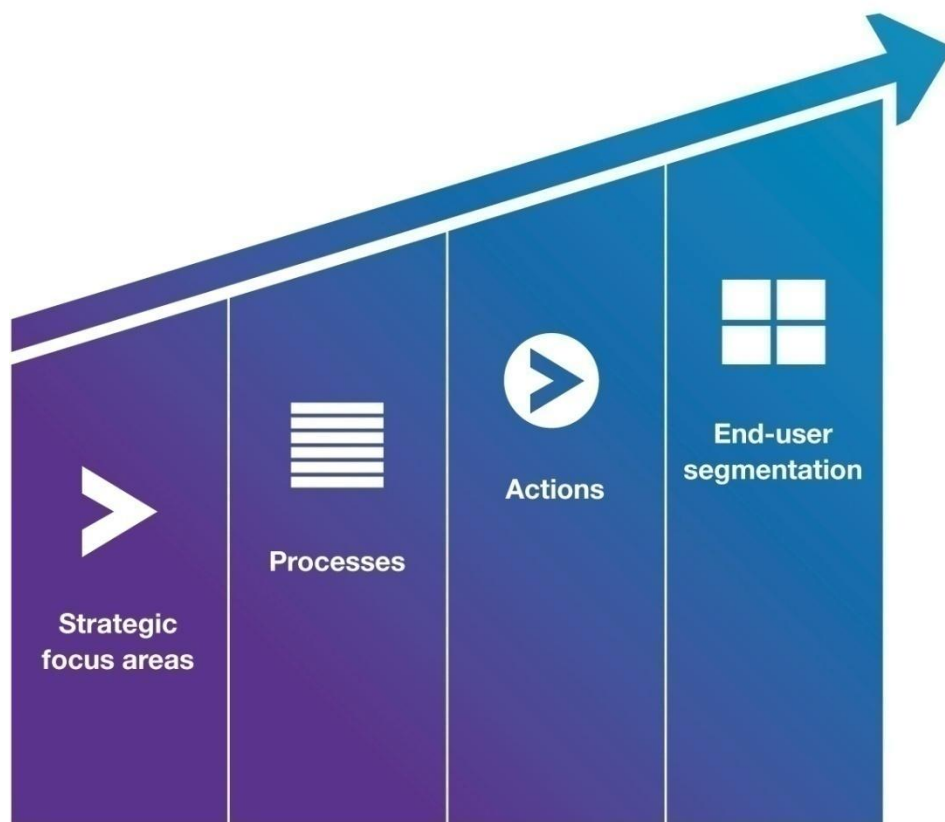
Comfortable cash position

Synergized centres of excellence – Finance, HR, SCM

Provided scale to compete efficiently



Going forward...our medium-term priorities



Vision:

**Leading
market positions
delivering
leading performance**


AkzoNobel India – Key Priorities



1. Customer focused solutions
2. Merger advantage – operating efficiency
3. Cash and return on investment
4. Embedded safety and sustainability
5. Diversity and inclusive talent development



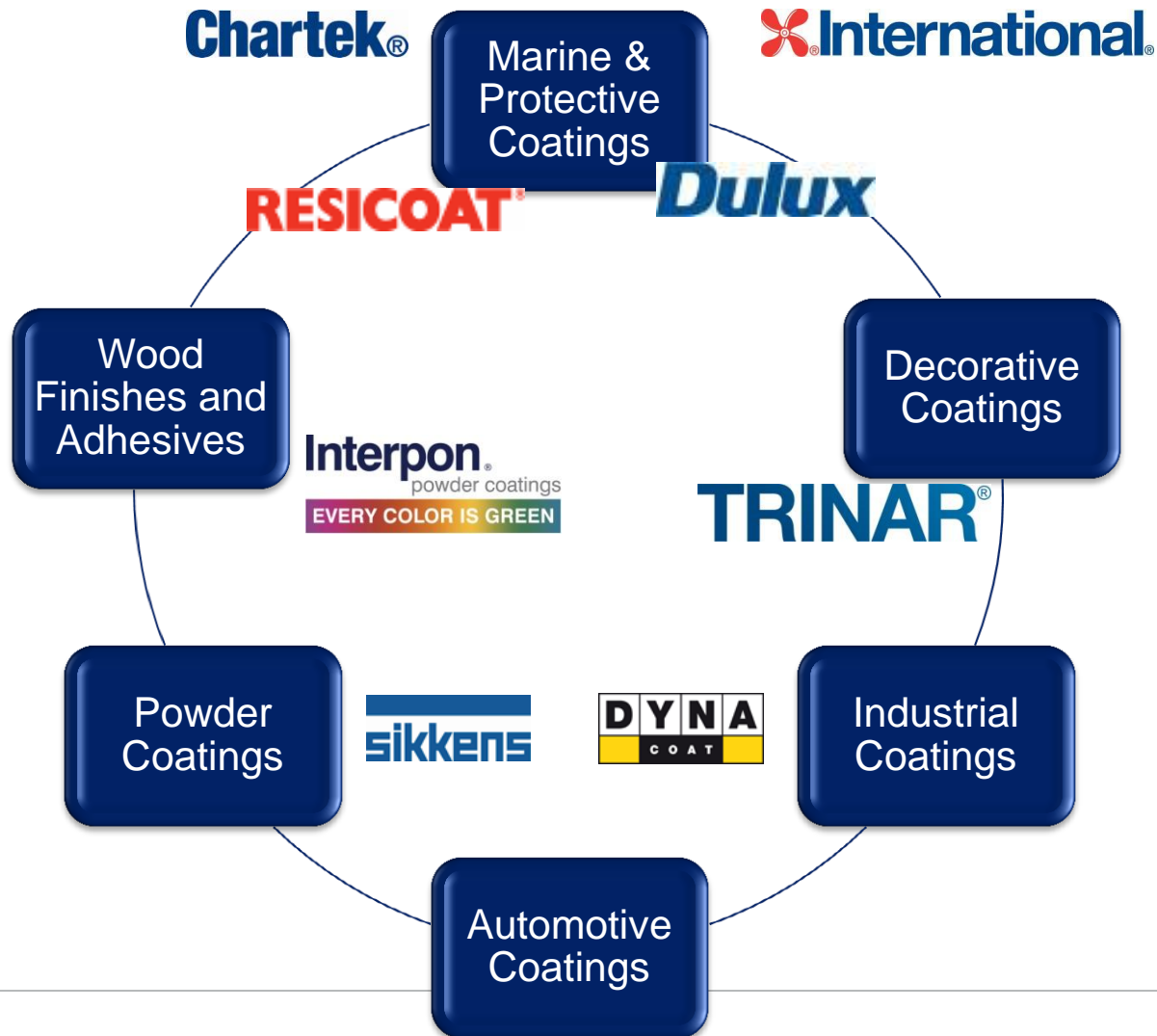
“Customer focused solutions” create competitive advantage



1. Customer focused solutions

- Organic growth
- Focus on Construction & Transportation segments
- Mid-market new product launches
- True sales force effectiveness management
- Value sales and margin management

One - Stop Solution



Buildings and Infrastructure

New Build Projects

Maintenance, Renovation and Repair

Building Products and Components




Transportation

Automotive OEM, Parts and Assembly

Automotive Repair

One AkzoNobel operations leverage



2. Merger advantage - operating efficiencies

- Intense cooperation between multi business unit sales, RD&I, operations and procurement
- Combined warehousing and logistics
- Multi site manufacturing flexibility
- Platform for new business launches

Creating a Platform for New Businesses

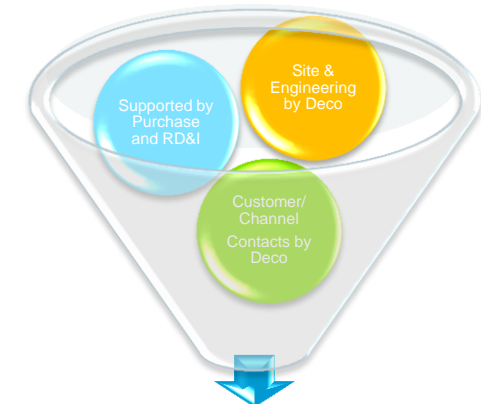
Packaging Coatings & Wood Finishes & Adhesives

- Leveraged One AN footprint to be closer to customer
- Supported by Excellence Centres-Finance, HR, Supply Chain, Legal
- Shared production sites (Packaging Coatings at Thane, Wood Finishes at Mohali)



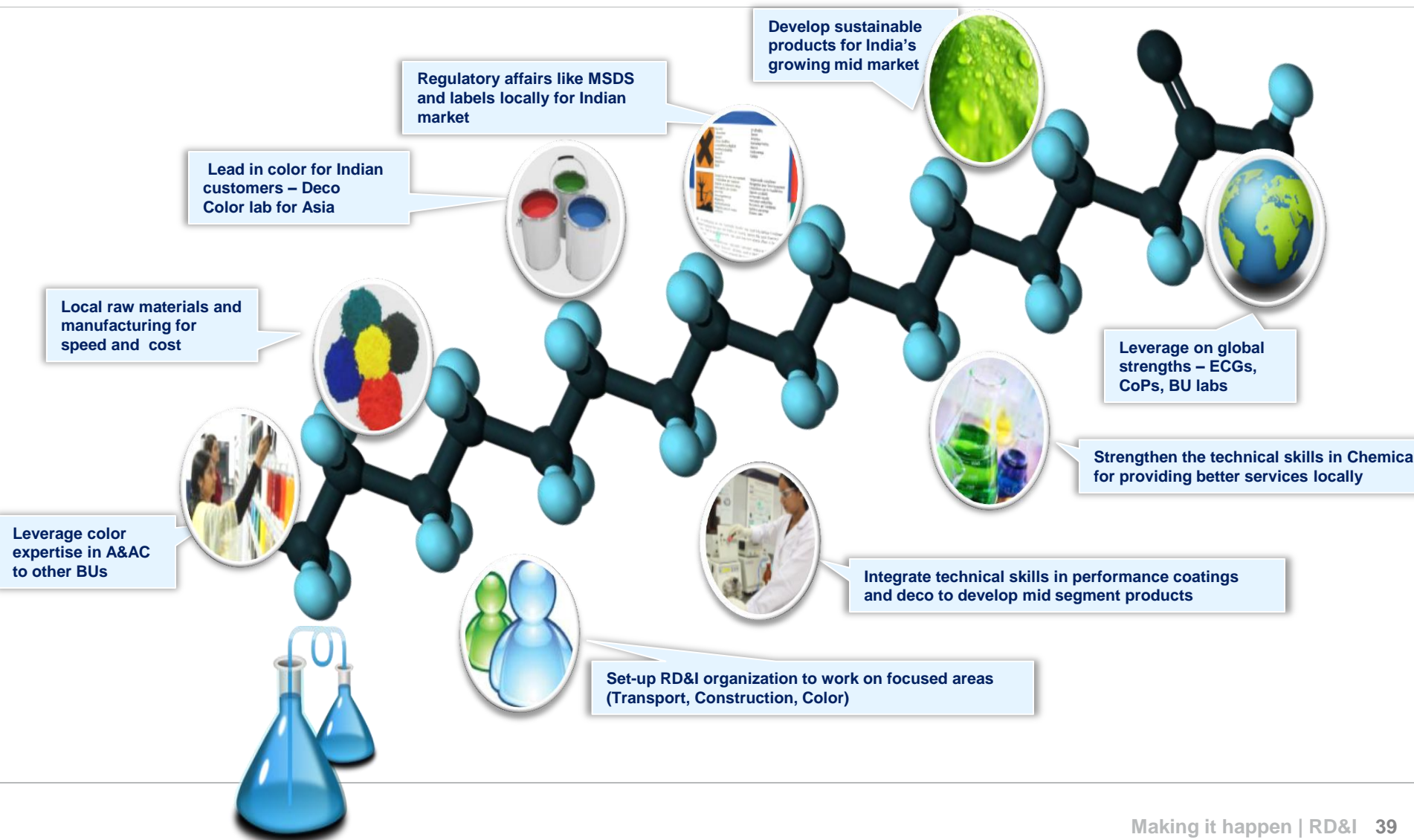
RD&I helps localize portfolio

- Import Substitution
- Local Manufacturing
- New launches



- Low Cost / Rapid Market Entry
- Supply Chain Leverage

Research, Development & Innovation



Generate improved returns



3. Cash and return on investment

- Value creation from formulations and indigenization
 - Cash consideration in decision making
 - Capital expenditure and cost management
 - One cash management, working capital improvement
-

Safety and Sustainability



4. Embedded safety and sustainability

- Behavior-based and process safety
- Reduce carbon foot-print
- Sustainable business
- Renewables (raw materials and energy)

Pursue Sustainability opportunity... ...collectively

Highlights:

Sustained Energy Conservation efforts by plants
Wash Water recycling system in factories
Energy efficient systems implemented in the new plants




Future Plans

Rainwater Harvesting
Non conventional energy sources

Embed **safety and sustainability** in everything **we do**

Talent development



5. Diverse and inclusive talent development

- Active drive for management to be a reflection of our geographical presence and gender participation
- Continuous learning and development
- Employee engagement
- Employer of choice

AkzoNobel India Board – Ensuring Strong Corporate Governance



Nihal Kaviratne CBE
Chairman



R Gopalakrishnan
Non Executive Director



Renu S Karnad
Non Executive Director



Dr Sanjiv Misra
Non Executive Director



Arvind Uppal
Non Executive Director



Amit Jain
Managing Director



Partha Basu
Finance



Graeme Armstrong
Non Executive Director



Sucheta Dalal
Alternate Director

We have everything we need to make it happen

- Our people
- Our brands
- Our products
- Our market positions
- Sustainability

Dulux

sikkens

DYNA
COAT

International

Interpon
powder coatings
EVERY COLOR IS GREEN



Disclaimer:

Some of the statements in this presentation, describing the Company's objectives and expectations expressed in good faith, may constitute 'forward looking statements' within the meaning of applicable laws and regulations.

Actual results might differ materially from those, in the event of changes in market conditions.

Thank you!

