

Akzo Nobel India Limited
Country Communications
DLF Cyber Terraces
Building No. 5,
Tower A,
20th Floor
DLF Cyber City
Phase III, Gurgaon
Haryana - 122002



AkzoNobel

Tomorrow's Answers today

Press Release

Akzo Nobel India registers revenue growth in a tough quarter

Q1 FY 2013-2014

Total revenue is up 2% to **562** crore rupees;
Operating profit is down 5% at **44** crore rupees;

Kolkata, August 8, 2013

Today, the Board of Directors of Akzo Nobel India Limited approved the unaudited financial results of the quarter ended June 30, 2013.

Performance highlights

Akzo Nobel India Limited (Q1 FY 2013-14)

- ✓ Total revenue is at **562** crore rupees; a QoQ growth of 2%
- ✓ Operating Profit is at **44** crore rupees; a QoQ decline of 5%
- ✓ PAT for the quarter at **35** crore rupees is not comparable with the corresponding quarter of the previous year on account of exceptional items in the corresponding quarter of previous year and change in the maturity profile of Investments.

Comments

Nihal Kaviratne CBE, Chairman, Akzo Nobel India:

"The synergy benefits which accrued post-merger as well as savings resulting from the lower capex and speedier execution of the Gwalior factory, have enabled us to reward our shareholders with a special dividend for the year 2012-13."

Amit Jain, Managing Director, Akzo Nobel India:

"The muted revenue growth reflects the softening demand in the coatings and chemicals industry, across most of our business segments. On a brighter note, our Industrial coatings businesses have star-performed, triggered by a continuing growth momentum."

"The depreciating rupee has impacted the coatings industry due to the industry's reliance on imported raw materials. This has led to unanticipated cost pressures, which we have had to offset by selective pricing action."

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"Our investment income for the quarter has been impacted by the timing of maturities of FMPs; however, the underlying performance of our portfolio continues to be robust."

"Our Greenfield coatings facility coming up in Gwalior is progressing ahead of schedule with respect to its completion and even more significantly, its execution is being capped at much below the budgeted capital outlay."

About Akzo Nobel India

Present in India for over 100 years and a significant player in the Paints industry. Over the years, it witnessed sustained expansion, growth and transformation. In 2008, Akzo Nobel N.V. became owner of the entire equity share capital of Imperial Chemical Industries Ltd., by virtue of which the Company became a member of the AkzoNobel Group. Akzo Nobel India manufactures and markets paints, coatings and specialty chemicals. In 2012, three AkzoNobel Group companies in India, namely, Akzo Nobel Car Refinishes India Private Limited, Akzo Nobel Chemicals (India) Limited, Akzo Nobel Coatings India Private Limited got merged with Akzo Nobel India Limited, thereby expanding the Company's presence in a wide range of coatings covering Decorative, Powder, Marine & Protective, Automotive & Aerospace, Coil & Specialty Plastics.

Dulux is its most popular brand of its Decorative coatings business while the Performance Coatings business provides solutions to many industries and sectors including automotive, consumer electronics, power, aviation, shipping & leisure craft, construction, oil & gas, water & waste water, food & beverages, etc. Its chemicals business in India sells more than 30 products grouped under organic peroxides, metal alkyls and Polymer additives to pharmaceutical companies, polymer producers, composite & rubber industry. Every year we try and introduce new products in India to further strengthen our position as an innovative specialty chemicals company.

With employee strength of close to 1,800, Akzo Nobel India has manufacturing sites, offices and distribution network spread across the country. All its five manufacturing facilities have an ISO 14001 certification for environmental management system. Its commitment to Health, Safety, Environment & Security (HSE&S) has been amongst the best in class globally, with due care being taken to protect the people and the environment.

Company Contacts

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Safe Harbour Statement:

This press release contains statements which address such key issues as Akzo Nobel'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.

Akzo Nobel India Limited**Registered Office : Geetanjali Apartment, 1st Floor, 8-B Middleton Street, Kolkata -700071****Unaudited Financial Results for the quarter ended 30 June 2013**

(Rs. million)

PART I	Particulars	Quarter ended			Year ended
		30 June 2013	31 March 2013	30 June 2012	31 March 2013
		(Unaudited)			(Audited)
1	Income from operations				21,797.4
	(a) Net sales (net of excise duty)	5615.5	5,246.7	5,497.7	522.4
	(b) Other operating income	120.9	157.3	132.4	
	Total income from operations (net)	5,736.4	5,404.0	5,630.1	22,319.8
2	Expenses				
	(a) Cost of materials consumed	2794.5	3,065.4	2,584.3	10,845.6
	(b) Purchase of stock-in-trade	491.0	467.8	515.7	1,989.9
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(90.1)	(472.6)	157.3	119.9
	(d) Employee benefits expense	488.1	417.4	460.4	1,752.3
	(e) Depreciation and amortisation expense	97.8	95.5	93.4	386.5
	(f) Other expenses	1532.8	1,434.8	1,379.5	5,726.3
	Total expenses	5,344.1	5,008.3	5,190.6	20,920.5
3	Profit from operations before other income, finance costs and exceptional items (1-2)	392.3	395.7	439.5	1,499.3
4	Other income	101.7	511.9	355.5	1,381.2
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	494.0	907.6	795.0	2,880.5
6	Finance cost	3.7	74.2	6.3	89.3
7	Profit from ordinary activities before tax (5-6)	490.3	833.4	788.7	2,791.2
8	Tax expense	142.2	208.4	179.8	602.9
9	Net profit from ordinary activities after tax (7-8)	348.1	625.0	608.9	2,188.3
10	Paid - up equity share capital (ordinary shares of Rs 10/- each)	466.6	466.6	479.6	466.6
11	Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year				10,571.4
12	Basic and diluted Earnings per share (of Rs. 10 each) (not annualised) (Rs. per share)	7.46	13.38	12.70	46.49

Akzo Nobel India Limited**Registered Office : Geetanjali Apartment, 1st Floor, 8-B Middleton Street, Kolkata -700071****Unaudited Financial Results for the quarter ended 30 June 2013****PART II**

Particulars	Quarter ended			Year ended
	30 June 2013	31 March 2013 (Unaudited)	30 June 2012	31 March 2013 (Audited)

A PARTICULARS OF SHAREHOLDING**1 Public shareholding**

- Number of shares
- Percentage of shareholding

12,615,979	12,615,979	14,925,979	12,615,979
27.04%	27.04%	31.12%	27.04%

2 Promoter and Promoter Group Shareholding**a) Pledged/ Encumbered**

- Number of shares
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)
- Percentage of shares (as a % of the total share capital of the company)

-	-	-	-
-	-	-	-
-	-	-	-

b) Non-encumbered

- Number of shares
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)
- Percentage of shares (as a % of the total share capital of the company)

34,044,335	34,044,335	33,034,335	34,044,335
100%	100%	100%	100%
72.96%	72.96%	68.88%	72.96%

B PARTICULARS OF INVESTOR COMPLAINTS

	Quarter ended 30 June 2013
Pending at the beginning of the quarter	-
Received during the quarter	1
Disposed of during the quarter	1
Remaining unresolved at the end of the quarter	-

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Akzo Nobel India Limited**Registered Office : Geetanjali Apartment, 1st Floor, 8-B, Middleton Street, Kolkata -700071****Segment wise Revenue, Results and Capital Employed
For the quarter ended 30 June 2013**

(Rs. million)

	Quarter ended			Year ended
	30 June 2013	31 March 2013	30 June 2012	31 March 2013
	(Unaudited)			(Audited)
1 Segment Revenue				
a) Coatings	5,506.7	5,178.7	5,403.6	21,425.4
b) Others	229.7	225.3	226.5	894.4
Total income from operations (net)	5,736.4	5,404.0	5,630.1	22,319.8
2 Segment Results [Profit before interest and tax from each segment]				
a) Coatings	404.3	564.6	440.2	1,644.2
b) Others	31.4	53.0	18.4	144.2
Total	435.7	627.6	458.6	1,788.4
Finance Cost	3.7	74.2	6.3	89.3
Other un-allocable income net of (un-allocable expenditure)	58.3	280.0	336.4	1,092.1
Profit before tax	490.3	833.4	788.7	2,791.2
3 Capital Employed (Segment Assets - Segment Liabilities)	As at 30 June 2013	As at 30 June 2012	As at 31 March 2013	
a) Coatings	5,411.6	5,165.8	5,308.6	
b) Others	683.3	536.4	607.3	
Unallocated	5,305.4	9,316.1	5,135.4	
Total	11,400.3	15,018.3	11,052.3	

Note :

- Segment Revenue, Results and Capital Employed figures include the respective amounts identifiable to each of the segments. Other un-allocable items in Segment Results include income from investment of surplus funds of the Company and unallocable corporate expenses.

-"Unallocated" in Capital Employed includes un-allocable corporate assets, liabilities and investments.

contd...

Akzo Nobel India Limited**Registered Office: Geetanjali Apartment, 1st Floor, 8B Middleton Street, Kolkata - 700 071****Unaudited Financial Results for the quarter ended 30 June 2013****Notes:**

1. The above results have been approved by the Audit Committee and the Board of Directors at their meetings held on 8 August 2013.
2. The Statutory Auditors of the Company have reviewed the financial results for the quarter ended 30 June 2013. An unqualified report has been issued and the same is being filed with the Bombay and National Stock Exchanges. The report is available on the website of the Company.
3. Previous period figures have been regrouped/ reclassified wherever necessary.

Kolkata
8 August 2013

Amit Jain
Managing Director

B S R & Associates

(Registered)
Chartered Accountants

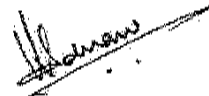
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Review Report to the Board of Directors of Akzo Nobel India Limited

1. We have reviewed the accompanying statement of un-audited financial results ('the Statement') of Akzo Nobel India Limited ('the Company') for the quarter ended 30 June 2013, except for the disclosures regarding "Public Shareholding" and "Promoter and Promoter Group Shareholding", which have been traced from the disclosures made by the management and have not been reviewed by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results, based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as explained in paras 1 and 2 above, nothing has come to our attention that causes us to believe that the accompanying un-audited financial results, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B S R & Associates
Chartered Accountants
Firm registration number: 116231W



Vikram Advani
Partner
Membership No.: 091765

Place: Gurgaon
Date: 8 August 2013