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**Akzo Nobel India Limited****Registered Office : Gootanil Apartment, 1st Floor, 8-B Middleton Street, Kolkata -700071****Unaudited Financial Results for the quarter and nine months ended 31 December 2013**

(Rs. Million, unless otherwise indicated)

| PART I | Particulars                                                                                    | Quarter ended    |                   |                  | Year to date for nine months ended |                  | Year ended      |
|--------|------------------------------------------------------------------------------------------------|------------------|-------------------|------------------|------------------------------------|------------------|-----------------|
|        |                                                                                                | 31 December 2013 | 30 September 2013 | 31 December 2012 | 31 December 2013                   | 31 December 2012 | 31 March 2013   |
|        |                                                                                                | (Unaudited)      | (Unaudited)       | (Unaudited)      | (Unaudited)                        | (Unaudited)      | (Audited)       |
| 1      | <b>Income from operations</b>                                                                  |                  |                   |                  |                                    |                  |                 |
|        | (a) Net sales (net of excise duty)                                                             | 6,439.3          | 5,649.5           | 5,940.5          | 17,704.3                           | 16,550.7         | 21,797.4        |
|        | (b) Other operating income                                                                     | 123.7            | 114.0             | 111.1            | 359.6                              | 365.1            | 522.4           |
|        | <b>Total income from operations (net)</b>                                                      | <b>6,563.0</b>   | <b>5,763.5</b>    | <b>6,051.6</b>   | <b>18,062.9</b>                    | <b>16,915.8</b>  | <b>22,319.8</b> |
| 2      | <b>Expenses</b>                                                                                |                  |                   |                  |                                    |                  |                 |
|        | (a) Cost of materials consumed                                                                 | 2,922.1          | 3,002.6           | 2,682.7          | 8,719.2                            | 7,780.2          | 10,845.6        |
|        | (b) Purchase of stock-in-trade                                                                 | 361.0            | 619.7             | 487.0            | 1,471.7                            | 1,522.1          | 1,969.9         |
|        | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade              | 570.4            | (369.0)           | 430.5            | 141.3                              | 592.5            | 119.9           |
|        | (d) Employee benefits expense                                                                  | 487.5            | 499.9             | 409.0            | 1,475.4                            | 1,334.9          | 1,752.3         |
|        | (e) Depreciation and amortisation expense                                                      | 118.8            | 103.4             | 97.5             | 320.0                              | 291.0            | 386.5           |
|        | (f) Other expenses                                                                             | 1,603.1          | 1,634.4           | 1,544.0          | 4,970.3                            | 4,291.5          | 5,726.3         |
|        | <b>Total expenses</b>                                                                          | <b>6,262.9</b>   | <b>5,490.8</b>    | <b>5,650.7</b>   | <b>17,097.9</b>                    | <b>15,812.2</b>  | <b>20,820.5</b> |
| 3      | <b>Profit from operations before other income, finance costs and exceptional items (1-2)</b>   | <b>300.1</b>     | <b>272.6</b>      | <b>400.9</b>     | <b>965.0</b>                       | <b>1,103.6</b>   | <b>1,499.3</b>  |
| 4      | <b>Other income</b>                                                                            | <b>43.2</b>      | <b>196.5</b>      | <b>241.2</b>     | <b>341.4</b>                       | <b>869.3</b>     | <b>1,361.2</b>  |
| 5      | <b>Profit from ordinary activities before finance costs and exceptional items (3+4)</b>        | <b>343.3</b>     | <b>469.1</b>      | <b>642.1</b>     | <b>1,306.4</b>                     | <b>1,972.9</b>   | <b>2,860.5</b>  |
| 6      | <b>Finance cost</b>                                                                            | <b>3.9</b>       | <b>5.4</b>        | <b>4.9</b>       | <b>12.9</b>                        | <b>15.1</b>      | <b>89.3</b>     |
| 7      | <b>Profit from ordinary activities before tax (5-6)</b>                                        | <b>339.5</b>     | <b>463.7</b>      | <b>637.2</b>     | <b>1,293.5</b>                     | <b>1,957.8</b>   | <b>2,771.2</b>  |
| 8      | <b>Tax expense</b>                                                                             | <b>69.4</b>      | <b>126.4</b>      | <b>130.9</b>     | <b>338.0</b>                       | <b>394.5</b>     | <b>602.9</b>    |
| 9      | <b>Net profit from ordinary activities after tax (7-8)</b>                                     | <b>270.1</b>     | <b>337.3</b>      | <b>506.3</b>     | <b>955.5</b>                       | <b>1,563.3</b>   | <b>2,168.3</b>  |
| 10     | <b>Paid - up equity share capital (ordinary shares of Rs 10/- each)</b>                        | <b>466.6</b>     | <b>466.6</b>      | <b>466.6</b>     | <b>466.6</b>                       | <b>466.6</b>     | <b>466.6</b>    |
| 11     | <b>Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year</b> |                  |                   |                  |                                    |                  | <b>10,571.4</b> |
| 12     | <b>Basic and diluted Earnings per share (of Rs. 10 each) (not annualised)</b>                  | <b>5.79</b>      | <b>7.23</b>       | <b>10.85</b>     | <b>20.48</b>                       | <b>33.11</b>     | <b>46.49</b>    |

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**Akzo Nobel India Limited****Registered Office : Geetanjali Apartment, 1st Floor, 8-B Middleton Street, Kolkata -700071****Unaudited Financial Results for the quarter and nine months ended 31 December 2013****PART II****A PARTICULARS OF SHAREHOLDING****1 Public shareholding**

- Number of shares

- Percentage of shareholding

12,615,979

12,615,979

12,615,979

12,615,979

27.04%

27.04%

27.04%

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

34,044,335

34,044,335

100%

100%

100%

100%

72.96%

72.96%

72.96%

72.96%

**B PARTICULARS OF INVESTOR COMPLAINTS**

|                                                | Quarter ended<br>31 December 2013 |
|------------------------------------------------|-----------------------------------|
| Pending at the beginning of the quarter        | -                                 |
| Received during the quarter                    | 3                                 |
| Disposed off during the quarter                | 3                                 |
| Remaining unresolved at the end of the quarter | -                                 |

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**Akzo Nobel India Limited****Registered Office : Gopalanall Apartment, 1st Floor, 8-B, Middleton Street, Kolkata -700071****Segment wise Revenue, Results and Capital Employed****Unaudited Financial Results for the quarter and nine months ended 31 December 2013**

(Rs. Million, unless otherwise indicated)

|                                                                             | Quarter ended             |                            |                           | Year to date for nine months ended |                  | Year ended             |
|-----------------------------------------------------------------------------|---------------------------|----------------------------|---------------------------|------------------------------------|------------------|------------------------|
|                                                                             | 31 December 2013          | 30 September 2013          | 31 December 2012          | 31 December 2013                   | 31 December 2012 | 31 March 2013          |
|                                                                             | (Unaudited)               |                            |                           | (Unaudited)                        | (Unaudited)      | (Audited)              |
| <b>1 Segment Revenue</b>                                                    |                           |                            |                           |                                    |                  |                        |
| a) Coatings                                                                 | 8,345.7                   | 5,528.5                    | 5,823.2                   | 17,379.9                           | 16,246.7         | 21,425.4               |
| b) Others                                                                   | 217.3                     | 237.0                      | 228.4                     | 884.0                              | 869.1            | 894.4                  |
| <b>Total Income from operations (net)</b>                                   | <b>5,663.0</b>            | <b>5,763.5</b>             | <b>6,061.6</b>            | <b>18,062.9</b>                    | <b>16,915.8</b>  | <b>22,319.8</b>        |
| <b>2 Segment Results [Profit before interest and tax from each segment]</b> |                           |                            |                           |                                    |                  |                        |
| a) Coatings                                                                 | 318.7                     | 259.9                      | 402.0                     | 982.9                              | 1,079.6          | 1,844.2                |
| b) Others                                                                   | 3.2                       | 40.1                       | 24.8                      | 74.7                               | 81.2             | 144.2                  |
| <b>Total</b>                                                                | <b>321.9</b>              | <b>300.0</b>               | <b>426.8</b>              | <b>1,057.6</b>                     | <b>1,160.8</b>   | <b>1,788.4</b>         |
| Finance Cost                                                                | 3.6                       | 5.4                        | 4.9                       | 12.9                               | 15.1             | 89.3                   |
| Other un-allocable income (net of un-allocable expenditure)                 | 21.4                      | 189.1                      | 215.3                     | 248.8                              | 812.1            | 1,092.1                |
| <b>Profit before tax</b>                                                    | <b>339.6</b>              | <b>463.7</b>               | <b>637.2</b>              | <b>1,293.5</b>                     | <b>1,967.8</b>   | <b>2,791.2</b>         |
| <b>3 Capital Employed (Segment Assets - Segment Liabilities)</b>            |                           |                            |                           |                                    |                  |                        |
|                                                                             | As at<br>31 December 2013 | As at<br>30 September 2013 | As at<br>31 December 2012 |                                    |                  | As at<br>31 March 2013 |
| a) Coatings                                                                 | 5,941.6                   | 5,858.7                    | 4,328.8                   |                                    |                  | 5,309.6                |
| b) Others                                                                   | 626.8                     | 815.4                      | 461.4                     |                                    |                  | 607.3                  |
| Unallocated                                                                 | 5,439.2                   | 5,281.0                    | 10,004.3                  |                                    |                  | 5,138.4                |
| <b>Total</b>                                                                | <b>12,007.6</b>           | <b>11,756.1</b>            | <b>14,794.5</b>           |                                    |                  | <b>11,055.3</b>        |

**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.

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**Akzo Nobel India Limited****Registered Office: Geetanjali Apartment, 1st Floor, 8B Middleton Street, Kolkata - 700 071****Unaudited Financial Results for the quarter and nine months ended 31 December 2013****Notes:**

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 30 January 2014.
2. The Statutory Auditors of the Company have reviewed the financial results for the quarter ended 31 December 2013. An unqualified report has been issued and the same is being filed with the Bombay Stock Exchange and National Stock Exchanges. The report is available on the website of the Company.
3. Other expenses for the current quarter include Rs. 71 million in respect of certain services received during the calendar year 2013 for which the amount was finalized in this period.
4. Previous period figures have been regrouped/ reclassified wherever necessary.

Mumbai  
30 January 2014

Himanshu Agarwal  
Wholetime Director



## Press Release

### Business performance highlights

#### Q3 FY 2013-14

Total revenue at 656 crore rupees; up by 8%  
Profit after Tax at 27 crore rupees; down by 47%

#### Mumbai, January 30, 2014

Today, the Board of Directors of Akzo Nobel India Limited approved the unaudited financial results of the third quarter ended, December 31, 2013.

#### Financial results – Business performance highlights

##### **AkzoNobel India Limited (Q3 FY 2013-14)**

- ✓ **Total revenue** is at 656 crore rupees as compared to 605 crore rupees of the corresponding quarter of the previous year
- ✓ **Profit from operations** is at 30 crore rupees as compared to 40 crore rupees of the corresponding quarter of the previous year
- ✓ **Profit before tax (PBT)** is at 34 crore rupees as compared to 64 crore rupees of the corresponding quarter of the previous year
- ✓ **Profit after tax (PAT)** is at 27 crore rupees as compared to 51 crore rupees of the corresponding quarter of the previous year

#### Comments

##### **Himanshu Agarwal, Whole-time director & CFO, AkzoNobel India**

*"AkzoNobel India registered a revenue growth of 8% during the third quarter; in the wake of general slowdown in the market. The 'special dividend' payout in this financial year has led to a reduction in our cash surplus and also resulted in a drop in investment income, which is largely responsible for the PAT being lower when compared to the previous year's corresponding quarter."*

#### About AkzoNobel 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.

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Registered office: Geetanjali Apartment, 1<sup>st</sup> Floor, 88 Middleton Street Kolkata – 700 071 CIN: L24282WB1954PLC021516

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**AkzoNobel**

AkzoNobel India manufactures and markets 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 and leisure craft, construction, oil and gas, water and waste water, food and 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, the composite and 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 1800, AkzoNobel India has manufacturing sites, offices and distribution network spread across the country. All its manufacturing facilities have state-of-art 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.

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**B S R & Associates LLP**

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 and nine months ended 31 December 2013, except for the disclosures regarding "Public Shareholding" and "Promoter and Promoter Group Shareholding", which have been traced from 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 statement of 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 LLP  
Chartered Accountants  
Firm Registration Number: 116231W



Rakesh Dewan  
Partner  
Membership number: 092212

Place: Mumbai  
Date: 30 January 2014