

Akzo Nobel India Limited

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**AkzoNobel**

Tomorrow's Answers Today

09 August 2012

The Secretary
National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor
Plot No.C/1, G Block
Bandra-Kurla Complex
Bandra (E)
Mumbai - 400 051
Fax # 022 26598237/8

Dear Sir,

Un-audited Financial Results

This is to inform you that the Board of Directors of Akzo Nobel India Limited in its meeting held today has approved the Un-audited Financial Results of the Company for the quarter ended 30 June 2012.

Copy of the Un-audited Financial Results and the Press Release issued by the Company today are attached herewith.

Yours faithfully,
For Akzo Nobel India Limited

R Guha
Company Secretary
Camp: Kolkata

Encl: as above.

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B S R & Associates

(Registered)
Chartered Accountants

Building No.10, 8th Floor, Tower-B
DLF Cyber City, Phase - II
Gurgaon - 122 002 (India)

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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 2012, 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 Without qualifying our report, attention is drawn to Note 3 to the attached financial results, which explains that in accounting for merger of three companies with the company, various items of income and expenses including income from operations and profit before tax amounting to Rs 6,250 million and Rs 241 million respectively of the three companies for the full year ended 31 March 2012 have been included in the quarter ended 31 March 2012 and have not been presented over the four quarters of that year, including the quarter ended 30 June 2011. Response to the Company's request for clarification from the stock exchanges regarding this manner of presentation is awaited.
- 4 Based on our review conducted as above and pending the clarification from the stock exchanges, as explained in note 3 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
Chartered Accountants
Firm Registration Number: 116231W


Kaushal Kishore
Partner
Membership number: 090075

Place: Kolkata
Date: 9 August 2012

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 2012**

(Rs. million)

PART I

PART I	Particulars	Quarter ended			Year ended
		30 June 2012	31 March 2012	30 June 2011	31 March 2012
		(Unaudited)			(Audited)
1	Income from operations				
	(a) Net sales (net of excise duty)	5497.7	9,336.3	3,365.6	19,425.2
	(b) Other operating income	132.4	391.2	23.4	483.3
	Total income from operations (net)	5,630.1	9,717.5	3,409.0	19,878.5
2	Expenses				
	(a) Cost of materials consumed	2584.3	5,270.1	1,562.2	10,126.1
	(b) Purchase of stock-in-trade	515.7	1,240.1	20.0	1,868.5
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	167.3	(656.4)	139.1	(603.9)
	(d) Employee benefits expense	460.4	809.4	212.5	1,473.4
	(e) Depreciation and amortisation expense	93.4	178.6	59.5	566.4
	(f) Other expenses	1379.5	2,295.0	877.9	5,288.8
	Total expenses	5,190.6	9,136.8	2,991.2	18,498.3
3	Profit from operations before other income, finance costs and exceptional items (1-2)	439.5	580.7	417.8	1,375.2
4	Other Income	355.5	360.9	433.4	1,123.5
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	795.0	961.6	851.2	2,502.7
6	Finance cost	(6.3)	(30.3)	(2.4)	(39.2)
7	Profit from ordinary activities after finance costs but before exceptional items (5+6)	788.7	931.3	848.8	2,463.5
8	Exceptional items - income	-	-	-	-
9	Profit from ordinary activities before tax (7+8)	788.7	931.3	848.8	2,463.5
10	Tax expense - Current tax	183.0	153.9	174.0	432.8
	- Deferred tax	(3.2)	(5.0)	(5.0)	12.8
11	Net profit from ordinary activities after tax (9-10)	608.9	782.4	679.8	2,017.8
12	Paid - up equity share capital (ordinary shares of Rs 10/- each)	475.5	368.3 *	368.3	368.3 *
13	Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year				13,915.5
14	Basic and diluted Earnings per share (of Rs. 10 each) (not annualised)	12.70	16.31	18.46	42.08

* Excluding share capital pending allotment amounting to Rs 111 million pursuant to Scheme of Amalgamation, as referred to in note 3. The shares were slated in June 2012.

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 2012****PART II**

Particulars

Quarter ended		
30 June 2012	31 March 2012	30 June 2011
(Unaudited)		

Year ended 31 March 2012
(Audited)

A PARTICULARS OF SHAREHOLDING**1 Public shareholding**

- Number of shares
- Percentage of shareholding

14,925,979	14,868,787	16,058,119	14,868,787
31.12%	40.36%	43.60%	40.38%

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)

-	-	-	-
-	-	-	-
-	-	-	-
33,034,335	21,967,544	20,776,213	21,967,544
100%	100%	100%	100%
68.88%	59.64%	56.40%	59.64%

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)

B PARTICULARS OF INVESTOR COMPLAINTS

	Quarter ended 30 June 2012
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	-

* Excluding share capital pending allotment amounting to Rs 111 million pursuant to Scheme of Amalgamation, as referred to in note 3. The shares were allotted in June 2012.

Alzo Nobel India LimitedRegistered Office : Geetanjali Apartment, 1st Floor, 8-B, Middleton Street, Kolkata -700071**Segment wise Revenue, Results and Capital Employed
For the quarter ended 30 June 2012**

(Rs. million)

	Quarter ended			Year ended
	30 June 2012	31 March 2012	30 June 2011	31 March 2012
	(Unaudited)			(Audited)
1 Segment Revenue				
a) Coatings	5,403.6	8,973.4	3,376.9	19,046.3
b) Others	226.5	744.1	32.1	830.2
Total income from operations (net)	5,630.1	9,717.5	3,409.0	19,878.5
2 Segment Results [Profit before interest and tax from each segment]				
a) Coatings	440.2	521.0	439.8	1,402.9
b) Others	18.4	99.1	9.2	121.8
Total	458.6	620.1	449.0	1,524.7
Finance Cost	(5.3)	(30.3)	(2.4)	(39.2)
Other un-allocable income net of (un-allocable expenditure)	336.4	341.6	402.2	978.0
	788.7	931.3	848.8	2,463.5
Exceptional items - Income	-	-	-	-
Profit before tax	788.7	931.3	848.8	2,463.5
3 Capital Employed (Segment Assets - Segment Liabilities)	As at 30 June 2012	As at 30 June 2011	As at 31 March 2012	
a) Coatings	5,165.8	1,356.7	4,887.6	
b) Others	536.4	42.0	496.6	
Unallocated	9,316.1	10,199.0	9,024.1	
Total	15,018.3	11,597.7	14,410.5	

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.
- Also refer to note 3.

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 2012

Notes:

1. The above results have been approved by the Board of Directors at its meeting held on 9 August 2012. The statutory auditors of the Company have carried out a Limited Review of the financial results for the quarter ended 30 June 2012 and an unmodified report has been issued. The same has been filed with the stock exchange and is available on the website of the Company.

2. During the quarter, the Company initiated a share buyback process through tender offer to all non promoter shareholders at a fixed price of Rs 920 per share. The offer opened on 2 July 2012 and closed on 13 July 2012. A total of 1.3 million shares were bought back under the scheme and have since been extinguished. As a result of this share buyback and their extinguishment, promoter holding in the Company has gone up from 68.88% to 70.80%.

Promoters have also intimated the Company vide their letter dated 1 August 2012, that they have acquired further 1.01 million shares in the Company on 31 July 2012. As a result of this share acquisition, promoter holding in the Company has gone up to 72.96%.

3. The Scheme of amalgamation ('Scheme') of Akzo Nobel Coatings India Private Limited, Akzo Nobel Car Refinishes India Private Limited and Akzo Nobel Chemicals (India) Limited (collectively referred to as 'transferor companies') with the Company became effective from 18 May 2012 with an Appointed Date of 1 April 2011. Accordingly, the results for the year ended 31 March 2012 included the results of the transferor companies for that year. Their income from operations and profit before tax for the year ended 31 March 2012 amounted to Rs 6,250 million and Rs 241 million respectively.

The results for the quarter ended 31 March 2012 included the results of the transferor companies for the full year, as the results reported for the quarter ended 31 March 2012 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the financial year ended 31 March 2012. Hence, the results for the quarters ended 31 March 2012 and 30 June 2011 have not been restated.

The above treatment has been adopted awaiting clarification sought from stock exchanges in this regard. Accordingly, the figures reported under the aforesaid quarters (including in respect of segments) are not comparable.

4. Other income for the quarter includes Rs. 119 million in respect of interest on income tax refunds received during the quarter relating to earlier years.

Kolkata
9 August 2012

Amit Jain
Managing Director

Akzo Nobel India Limited
Country Communications

DLF Cyber Terraces
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Phase III, Gurgaon
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AkzoNobel

Tomorrow's Answers Today

Press Release

Akzo Nobel India sees growth in all segments

Unaudited financial results for Q1 of FY 2012-13

Kolkata, August 9, 2012

Today, the Board of Directors of Akzo Nobel India Limited approved the unaudited financial results for the first quarter (ended 30th June) of the FY 2012-13.

Unaudited financial results - Performance Highlights *

AKZO NOBEL INDIA LIMITED (Q1 FY 2012-13 as against Q1 FY 2011-12)

- ☆ Total income for the quarter is 5498 million rupees as against 3386 million rupees; a QoQ growth of 62%
- ☆ Earnings from Operations at 440 million rupees as against 418 million rupees; a QoQ growth of 5%
- ☆ Raw material cost increase of 14% and currency depreciation have impacted operating margin
- ☆ Stepped up investments in brand and new products in coating segments
- ☆ Other Income for the quarter at 355 million rupees has dropped by 78 million rupees, due to staggered maturity of investments, partially offset by tax refund
- ☆ Profit after tax (PAT) for the quarter is 609 million rupees as against 680 million rupees; a QoQ decline of 10%

* The current quarter's performance is not directly comparable with the corresponding quarter of the last financial year since the current quarter reflects the performance of the recently merged company.

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Building No. 5,
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**AkzoNobel**

Tomorrow's Answers Today

Comments:

Amit Jain
Managing Director, Akzo Nobel India

"In spite of uncertain market conditions, all coatings business segments continue to demonstrate robust growth propelled by ongoing investments in brand and distribution. New product innovations and capacity additions are also contributing to the incremental growth."

About Akzo Nobel India Limited:

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 over 1700, Akzo Nobel India has manufacturing sites, offices and distribution network spread across the country. 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.