AkzoNobel India- building the future….

Mumbai
March 7, 2013







Welcome to AkzoNobel in India

AkzoNobel

Hyderabad Plant





Mohali Plant



Corporate Office.
Gurgaon



Thane Plant



Bangalore Plant

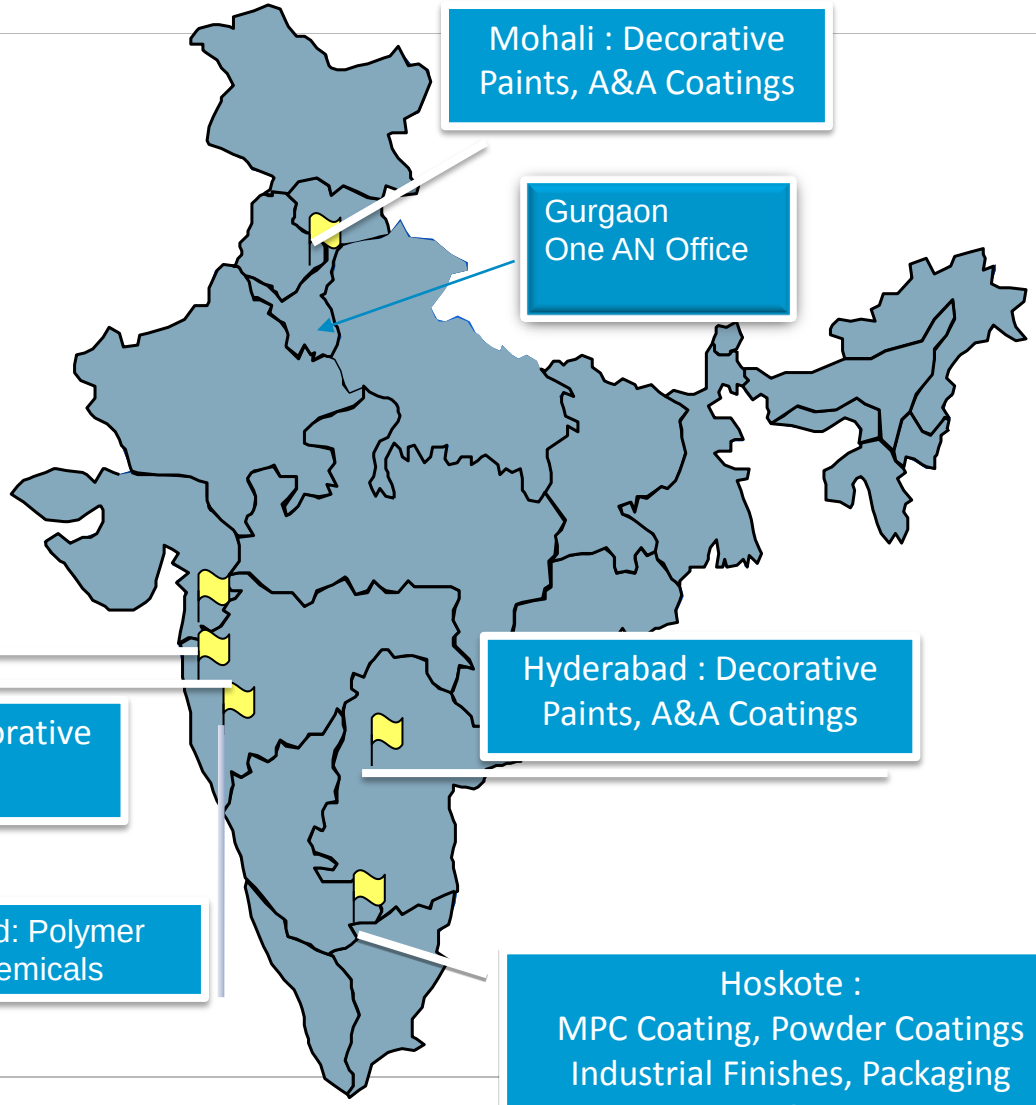


Mahad Plant



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



Mohali : Decorative Paints, A&A Coatings

Gurgaon
One AN Office

Mumbai : Functional Chemicals, Surface Chemistry

Hyderabad : Decorative Paints, A&A Coatings

Thane : Decorative Paints

Mahad: Polymer Chemicals

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

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

AkzoNobel

TRINAR®

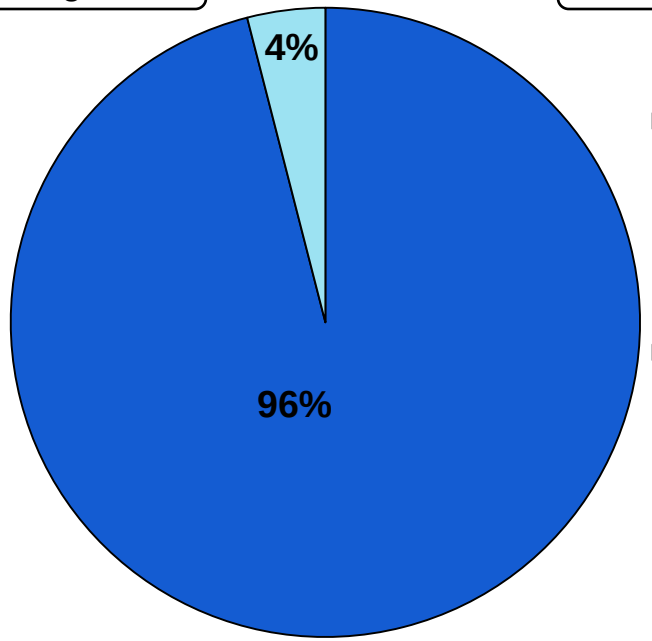
Coil Coatings

International®

Marine Coatings

Dulux

Deco Paints



RESICOAT®

Powder Coatings

sikkens

Automotive Coatings

Interpon powder coatings

EVERY COLOR IS GREEN

Powder Coatings

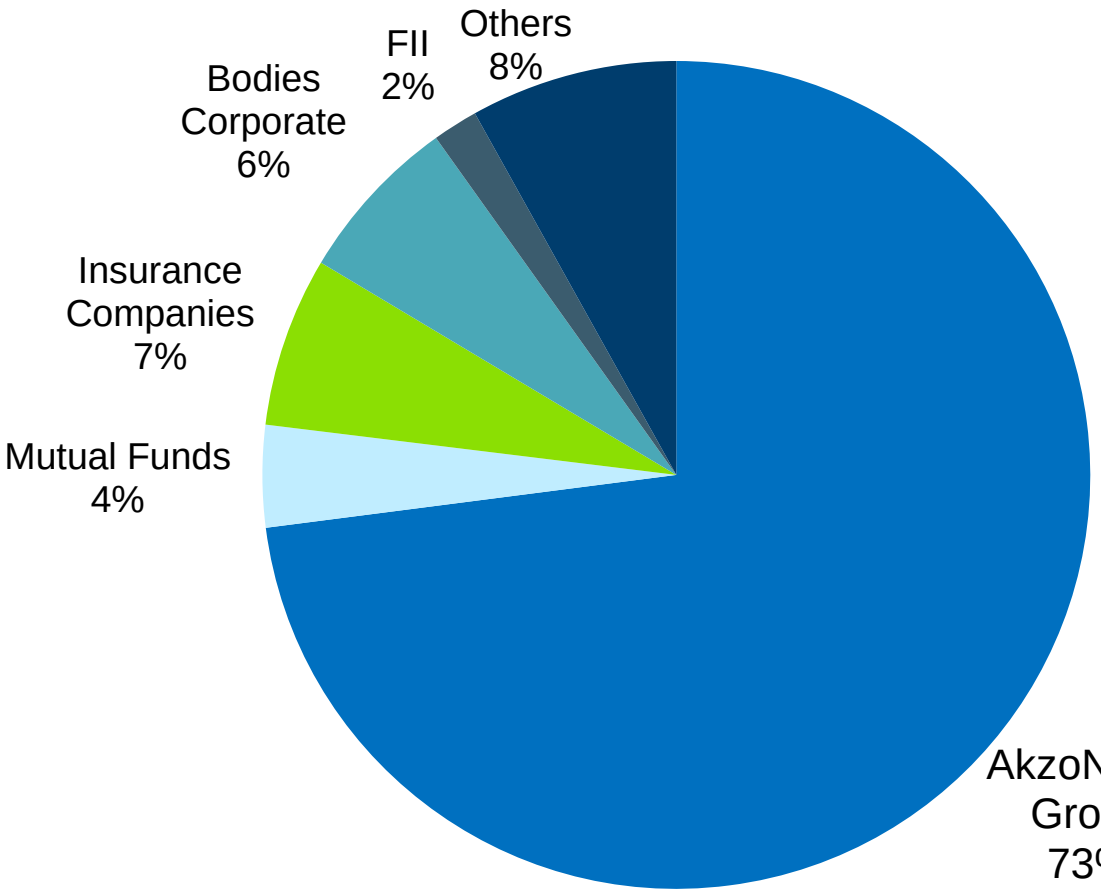
Chartek®

Protective Coatings

DYNA COAT

Automotive Coatings

Current Shareholding Pattern (Feb 2013)



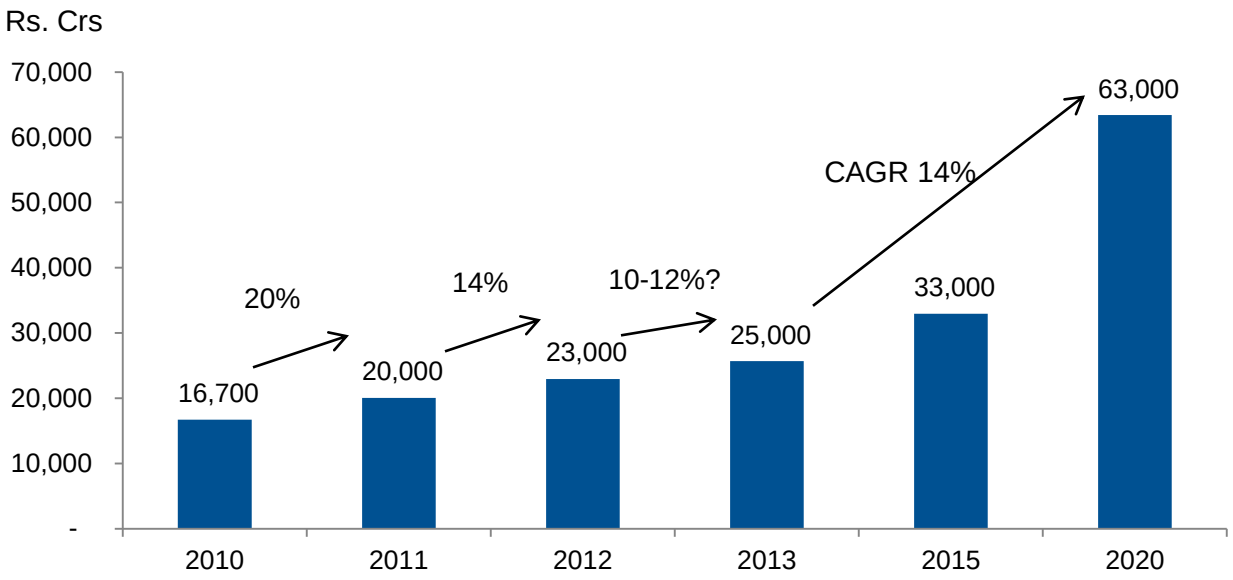
World's largest Coatings player…

Indian Coatings Market and Consumer Trends

AkzoNobel



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



AkzoNobel

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

AkzoNobel

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

AkzoNobel

Experiential
Inspirational
Targeted
Use of augmented reality







Decorator Centers empowering consumers on decoration decisions

This is an exciting industry

AkzoNobel

Colour

Growth

Innovation

Collaboration

Room for most players to grow



AkzoNobel India – Lines of Businesses

- Coatings
- Specialty Chemicals

Decorative Paints

AkzoNobel



3 Manufacturing Sites



63 Warehouses



Servicing 8,000+ Retailers

Products Range





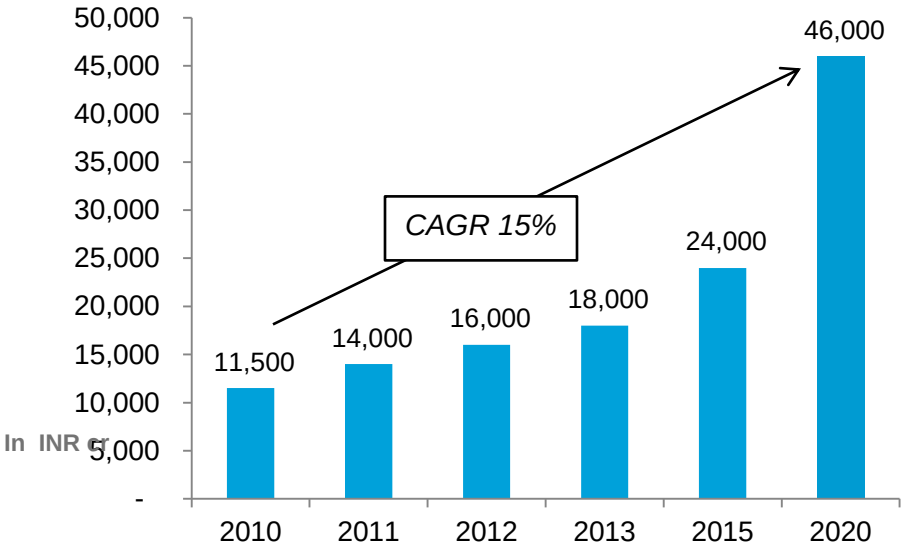






Decorative Industry doubling in 5 years

Market Growth



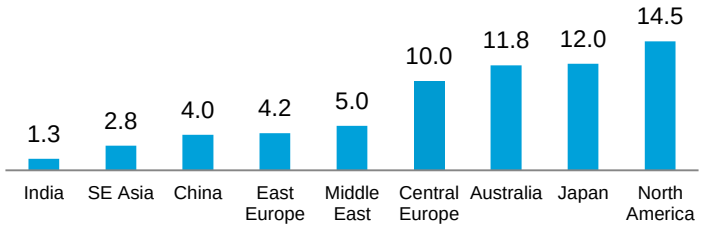
Market anticipated to bounce back in late 2013, early 2014 due to

- 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

Source: Internal estimates for Organized Paints Industry

Performance Coatings

AkzoNobel



Manufacturing Sites at Bangalore and Mohali

International CEILCOTE®
enviroline HIGH PERFORMANCE COATINGS AND LININGS
TRINAR
CHARTEK® FIREPROOFING
Interpon powder coatings EVERY COLOR IS GREEN
DYNA COAT
sikkens

Our Brands



International Research Center at Bangalore

Our Businesses



Industrial



Automotive Coatings



Powder Coatings

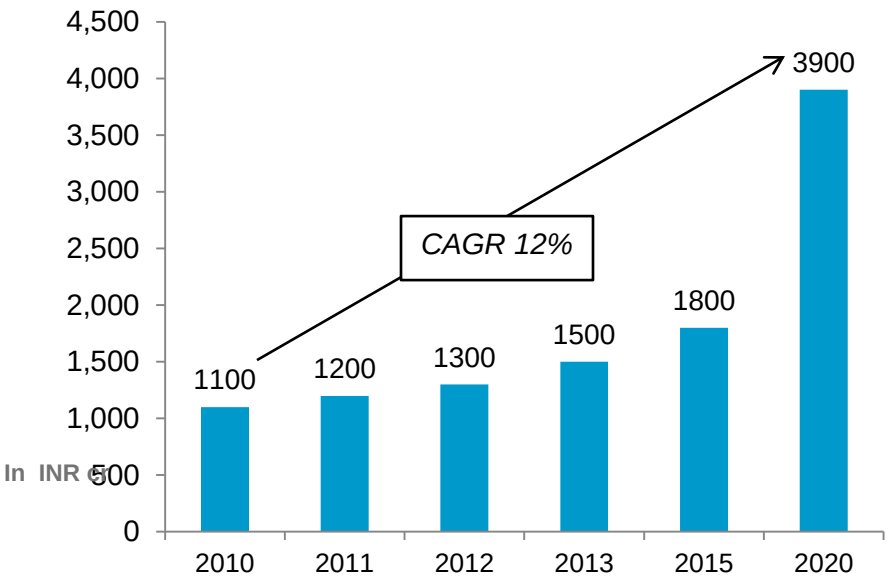


Protective Coatings

Automotive Outlook in India

AkzoNobel

Market Growth



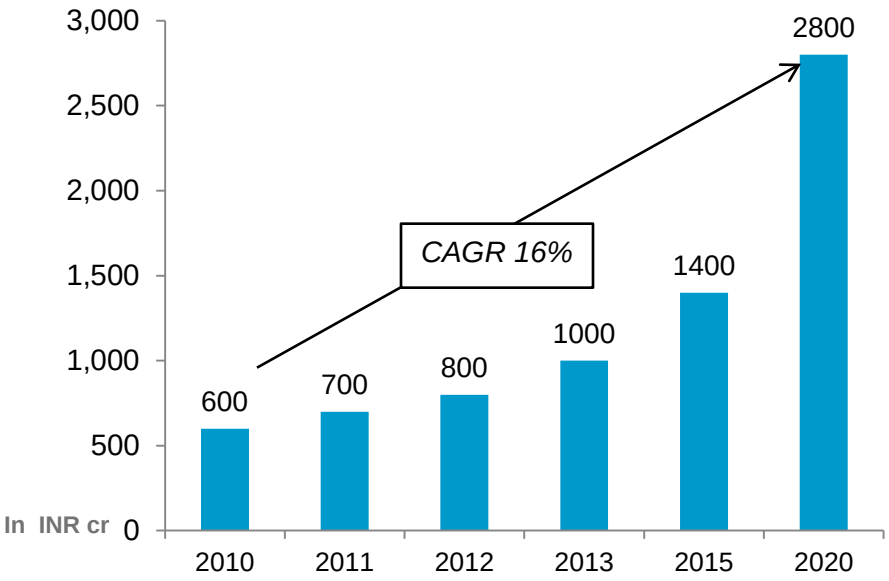
Drivers

- 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

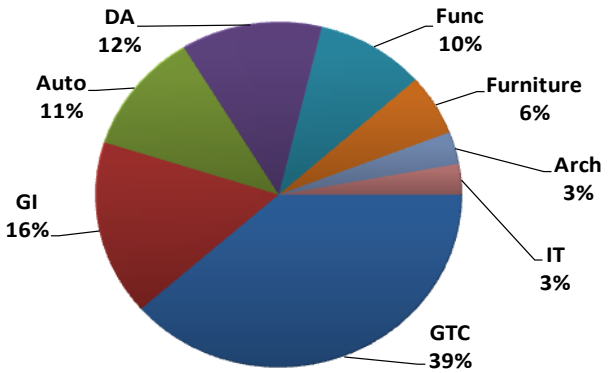
Powder Coatings Outlook in India

Market Growth



Drivers

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

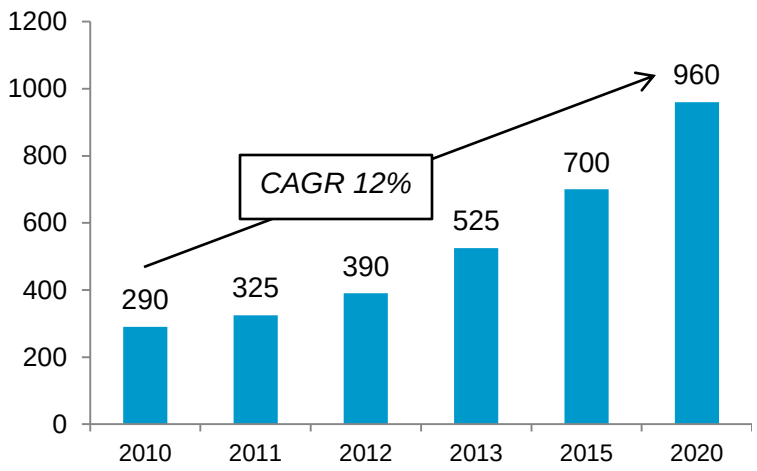


AkzoNobel India: Eco friendly technology

Coil Coatings Outlook in India

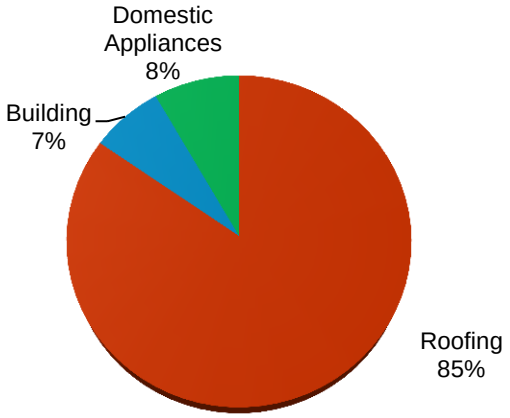
AkzoNobel

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

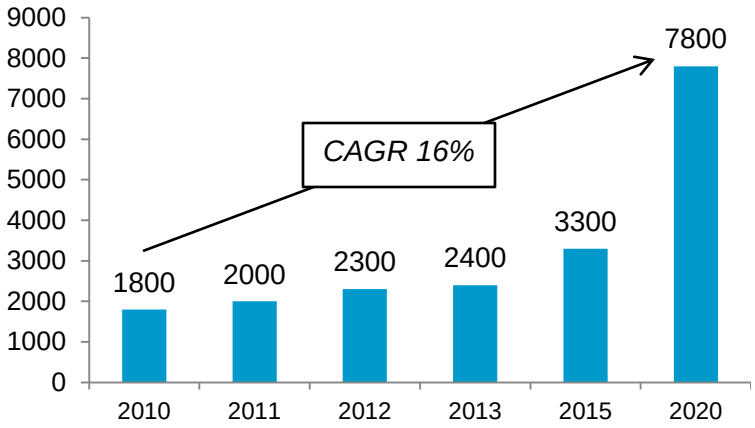


AkzoNobel India: Global track record of product range

Protective Coatings Outlook in India

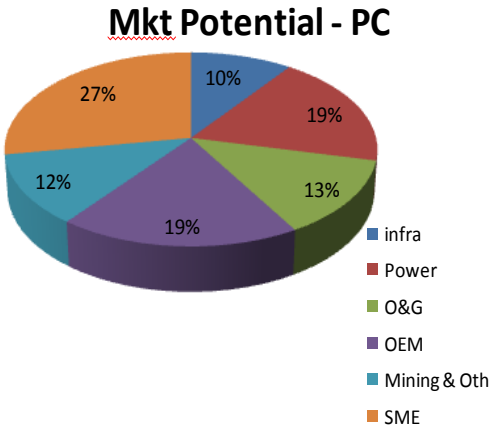
AkzoNobel

Market Growth



Drivers

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



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

Specialty Chemicals

AkzoNobel



Manufacturing Site at Mahad
- **Organic Peroxides (HPOP)**
- **Metal Alkyl (HPMA)**
- **Sale XTP & HPOP Products**

Surface Chemistry



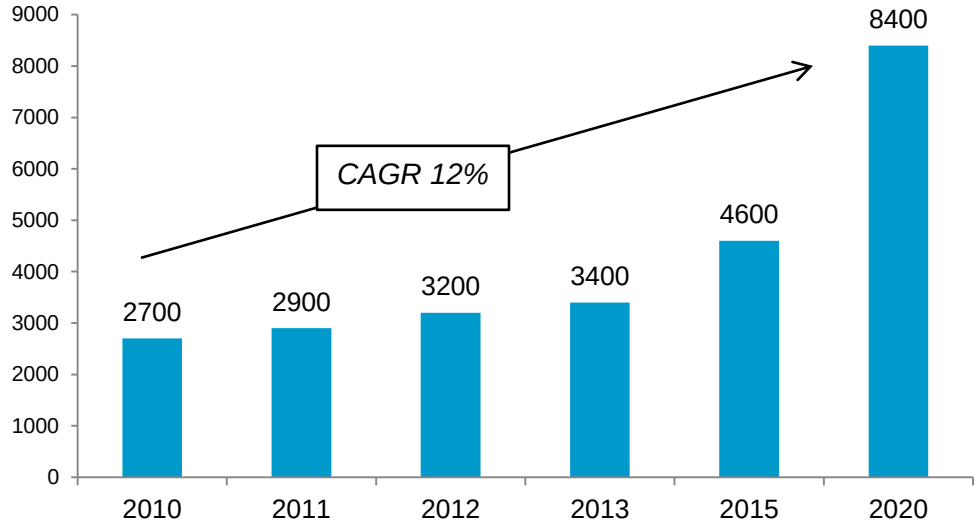
Functional Chemistry



Specialty Chemicals Outlook in India

AkzoNobel

Market Growth

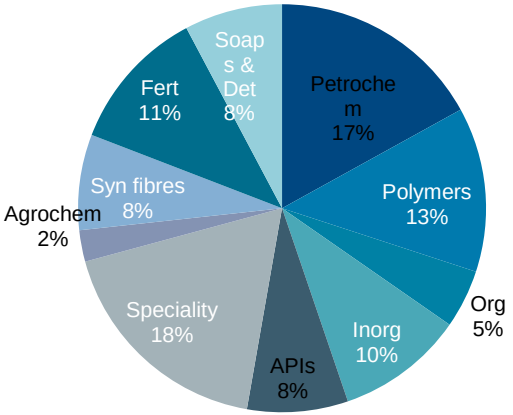


Drivers

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



AkzoNobel India: Diverse Portfolio

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









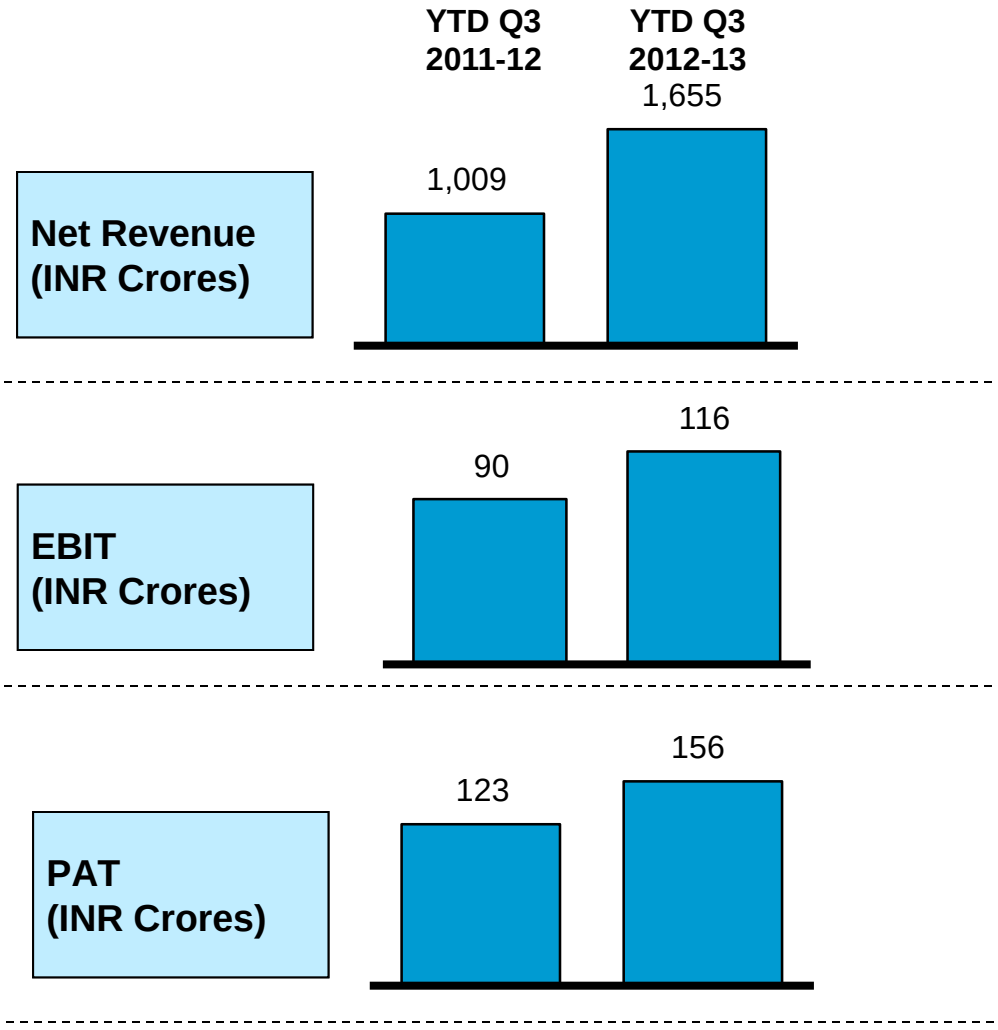


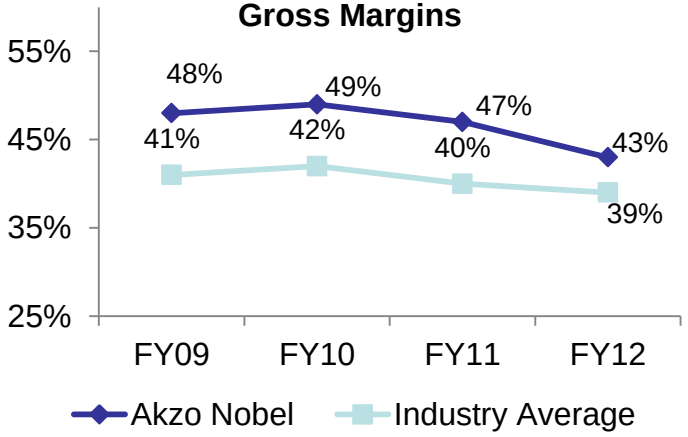
Key Financial Parameters

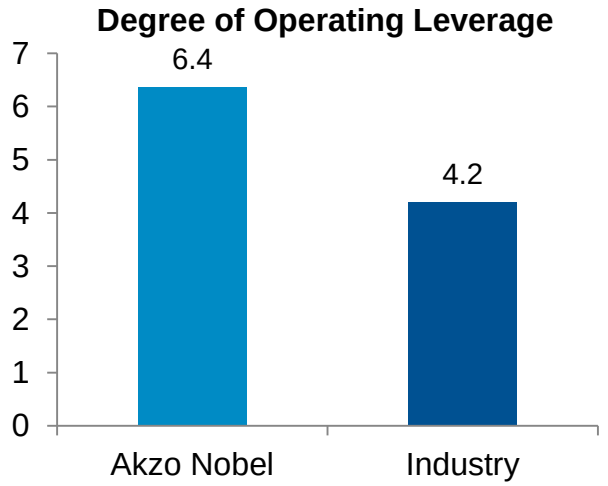


Margins reflecting Industry trends…

AkzoNobel







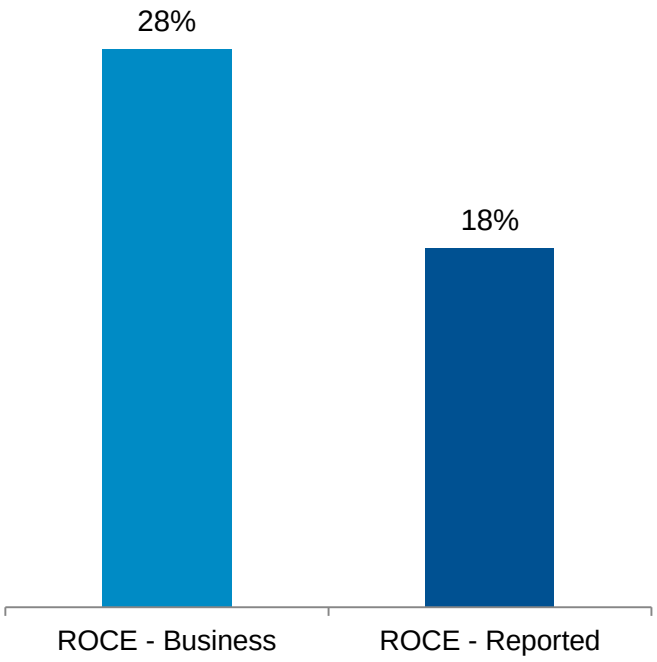
Dec 2012

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

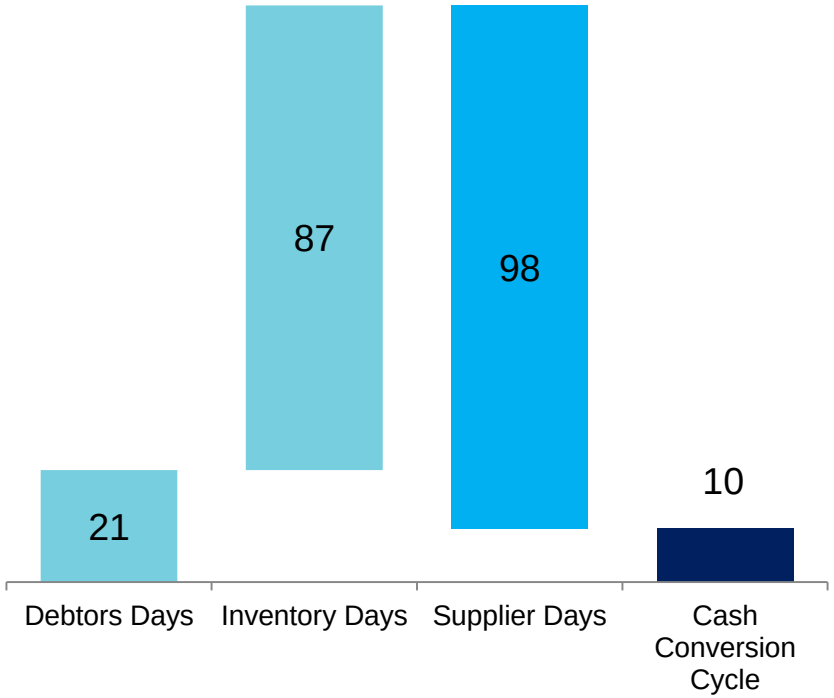
Robust Financial parameters

AkzoNobel

ROCE (as at Dec 31, 2012)



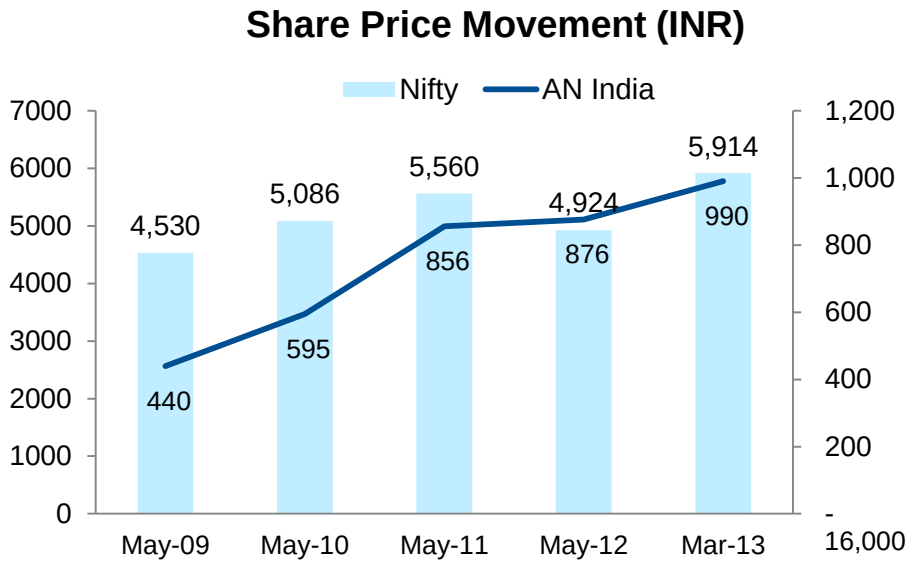
Cash Conversion Cycle (FY12)

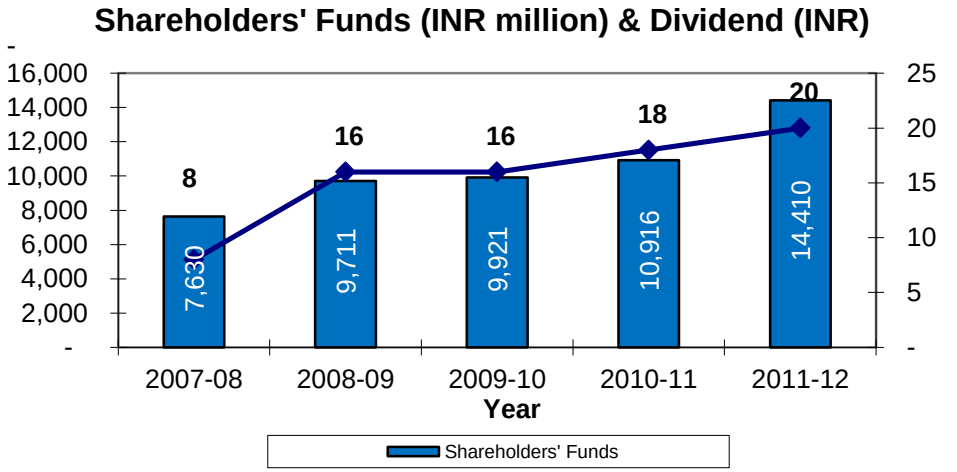


Source: Company annual reports, analyst reports

Consistent growth in shareholder value

AkzoNobel



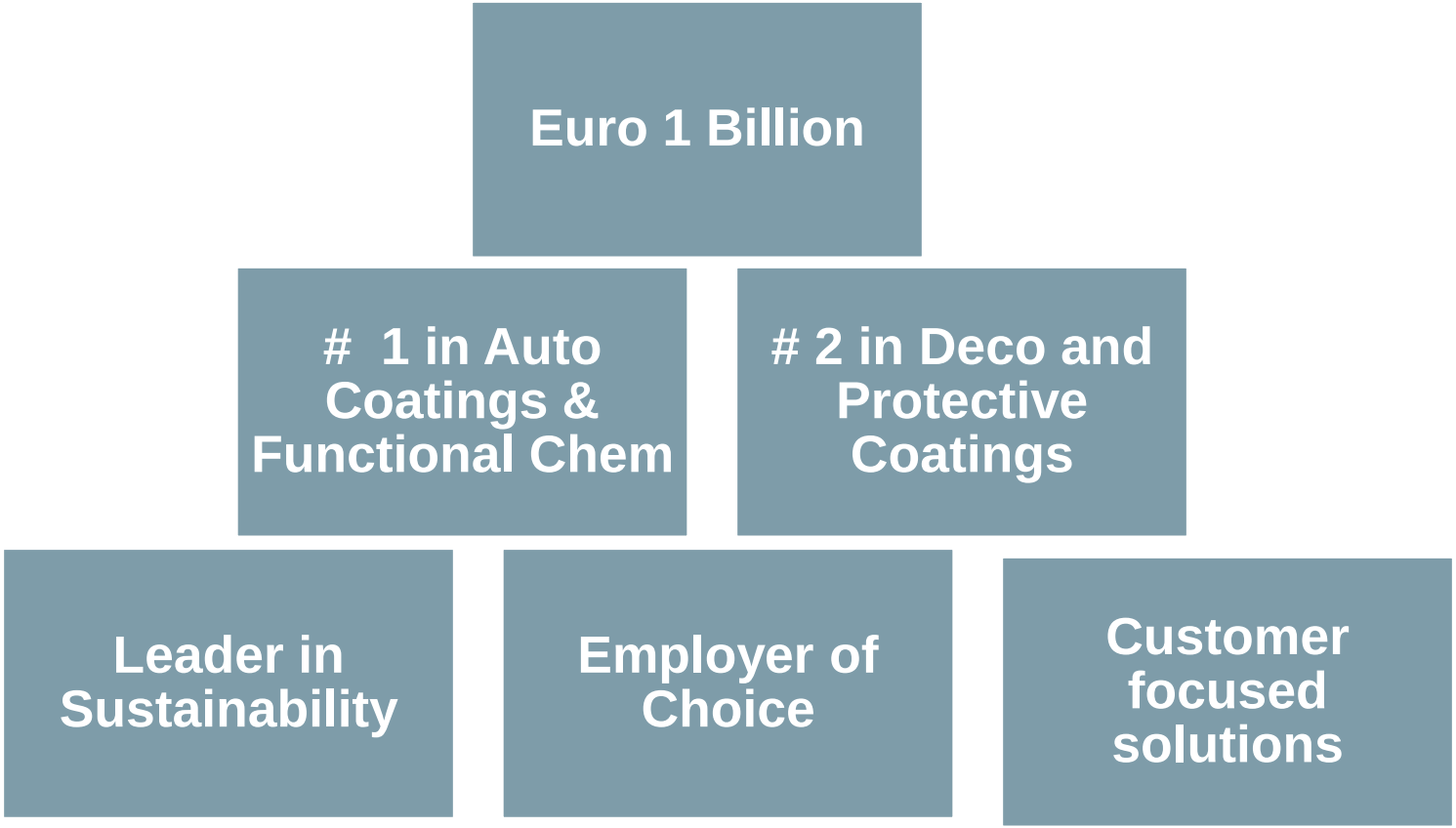


Building the growth momentum



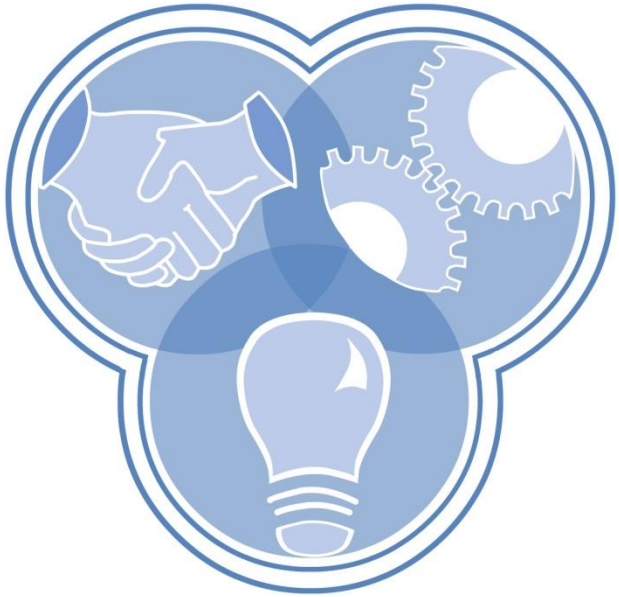
Our 5 year aspiration …

AkzoNobel



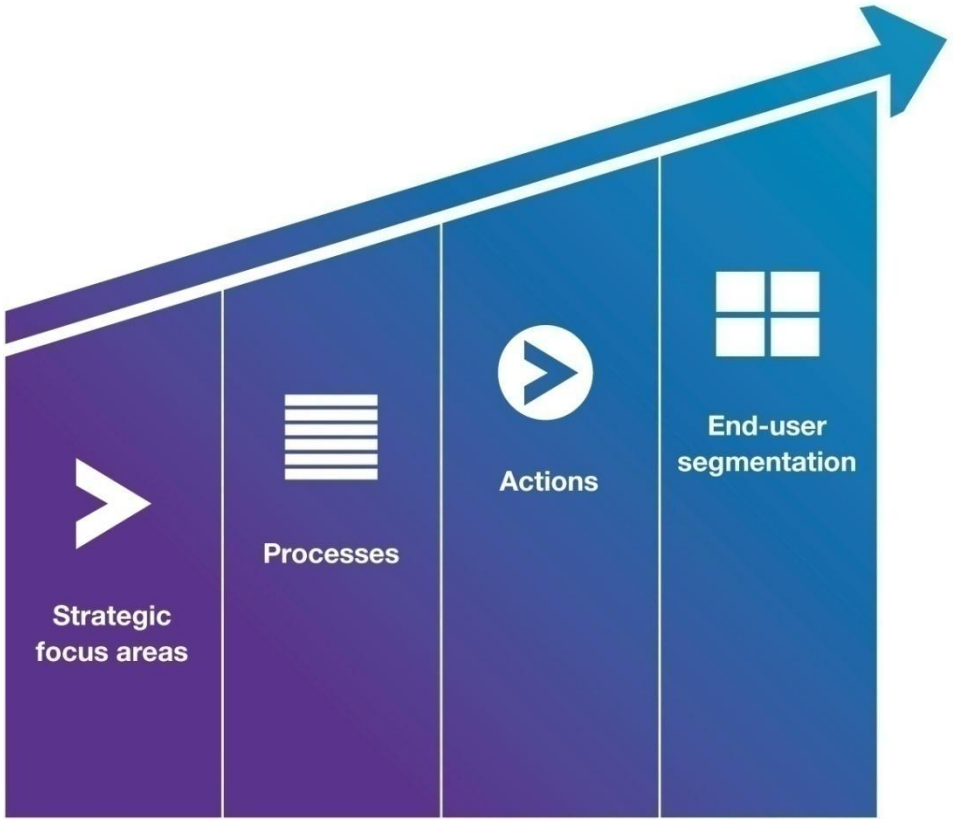
Opportunities for Scale Benefits

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



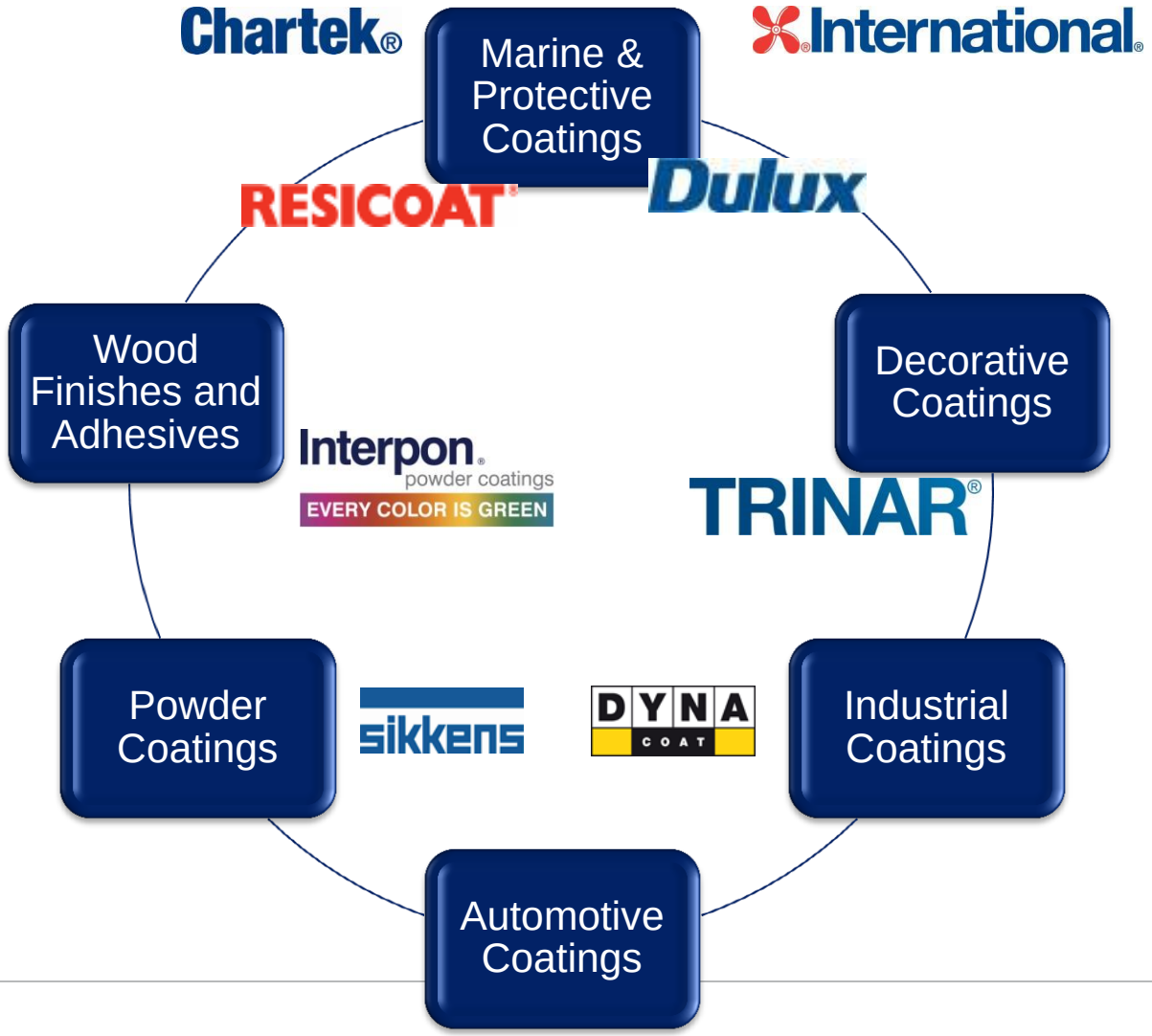
“Customer focused solutions” create competitive advantage



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

AkzoNobel

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



- 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)

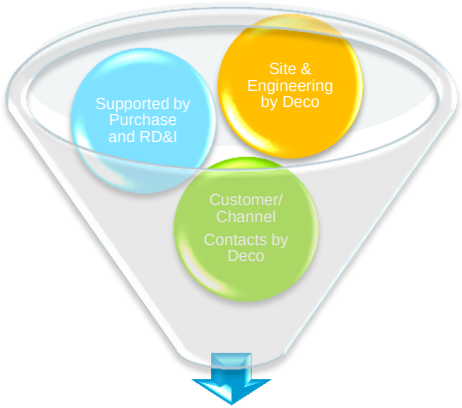






RD&I helps localize portfolio

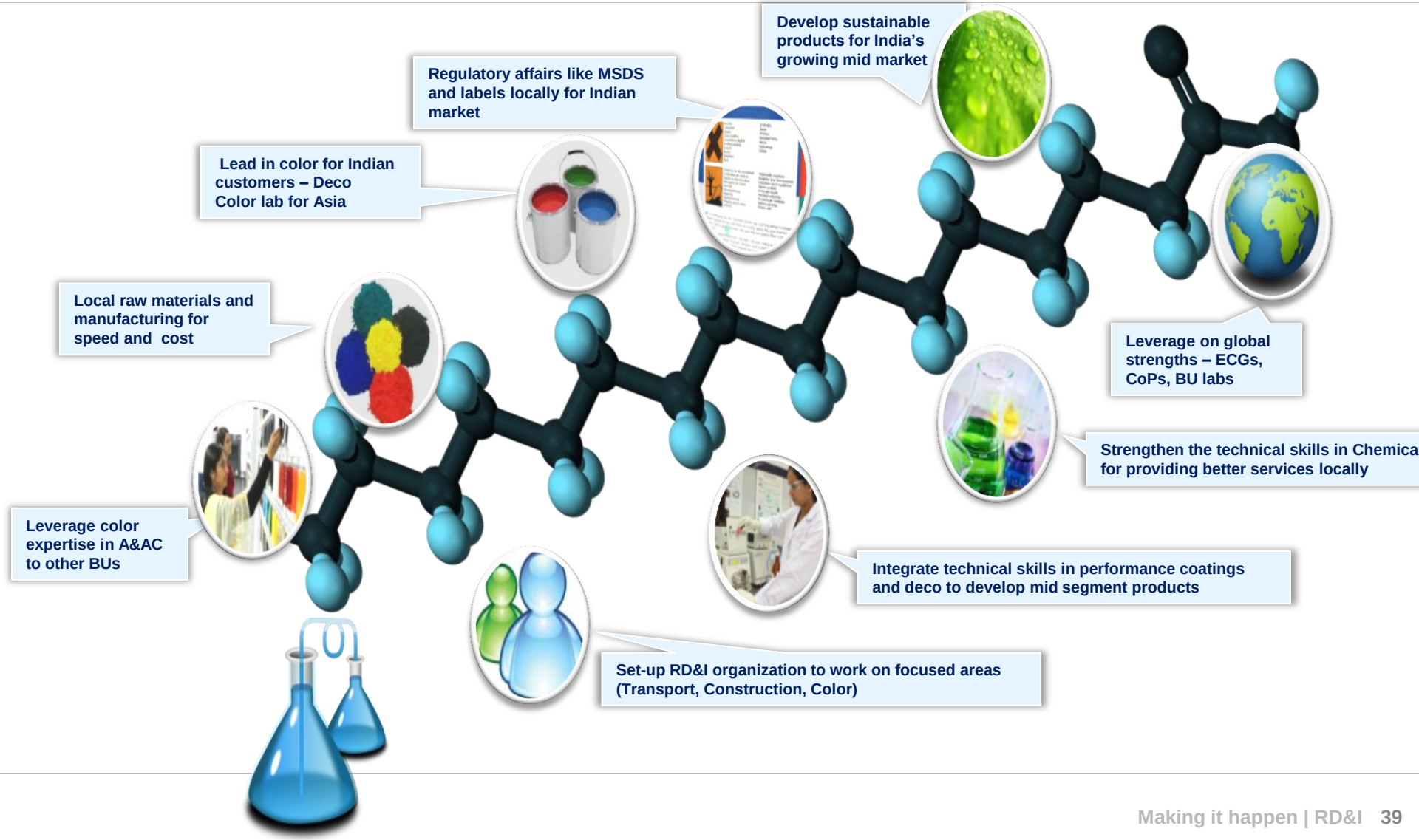
- Import Substitution
- Local Manufacturing
- New launches



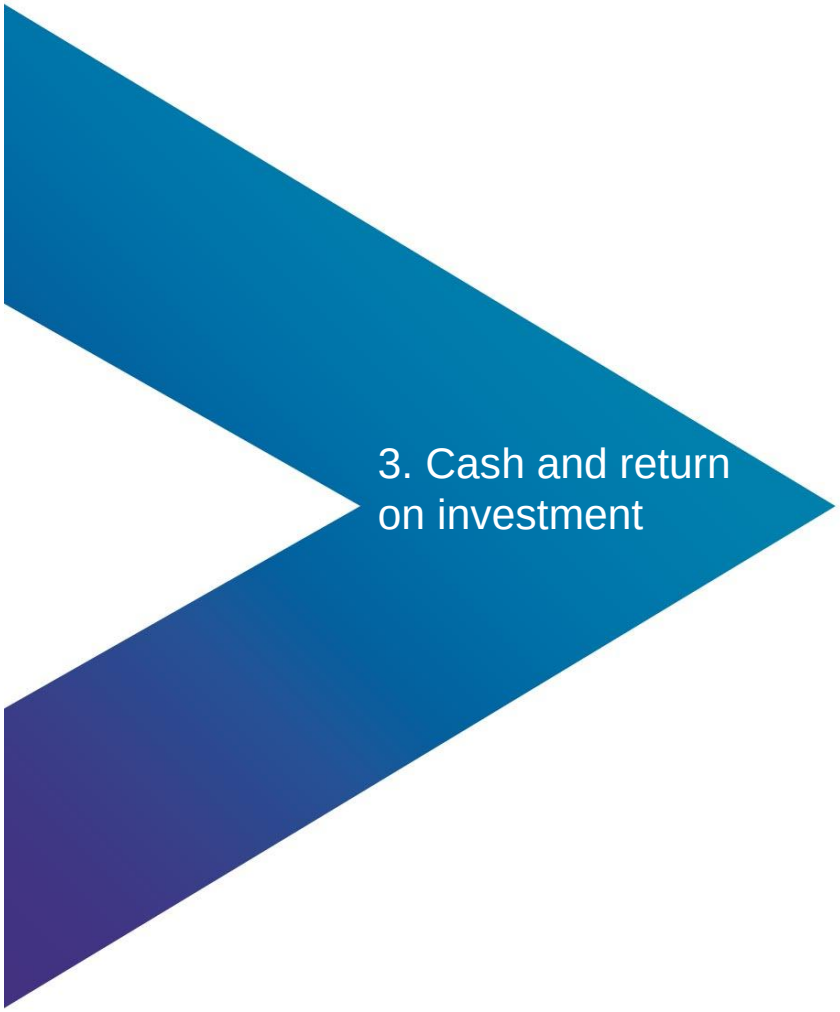
- **Low Cost / Rapid Market Entry**
- **Supply Chain Leverage**

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Research, Development & Innovation



Generate improved returns



- 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



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

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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



- 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

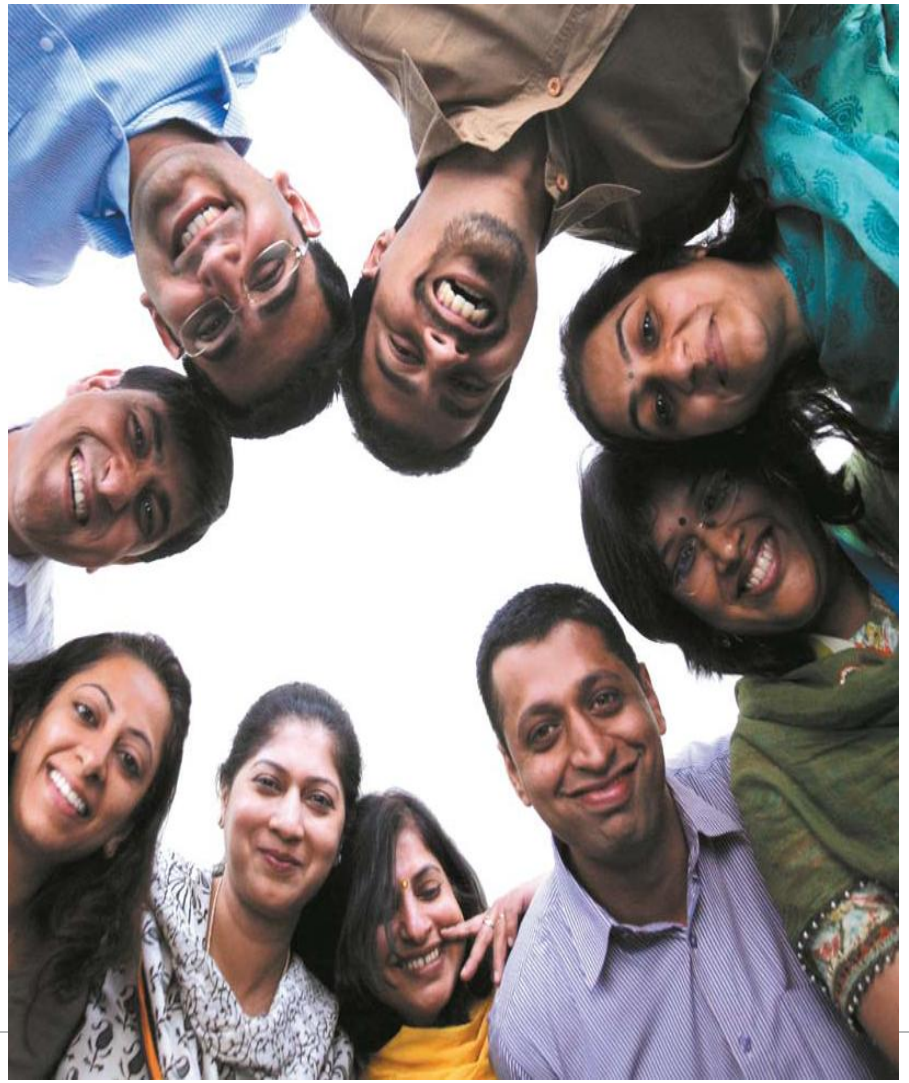


Sucheta Dalal
Alternate Director

AkzoNobel

We have everything we need to make it happen

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



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!

