

Performance Coatings

- In Q2, volumes increased 1 percent compared with the previous year
- Revenue down 2 percent, primarily due to adverse currency effects
- Operating income up 9 percent, ROS at 12.4 percent (2013: 11.2 percent)
- Operating efficiencies visible despite higher restructuring charges

Volume in Q2 in Performance Coatings progressed 1 percent compared with 2013. Revenue declined 2 percent, with improvements in volume and price/mix being offset by adverse currencies. Profitability improved due to operating effectiveness measures, which more than offset increased restructuring costs and adverse currency impact.

Marine and Protective Coatings

Revenue was down 2 percent on last year, mostly due to adverse currency effects. Marine saw increased volumes in deep sea maintenance and new construction over prior year. Protective Coatings volumes ended flat. Volumes in the Yacht business were ahead of 2013 with growth in Europe offsetting a slower North America. The closure of Union, a Marine and Protective production facility in North America, was announced in May.

Automotive and Aerospace Coatings

Revenue was down 1 percent, due to an adverse currency impact. Vehicle Refinish showed strong volumes in China and North America, while South America declined due to weak demand. Specialty Finishes volumes were up on prior year, with higher demand in the consumer electronics segment. Aerospace volumes rose.

Powder Coatings

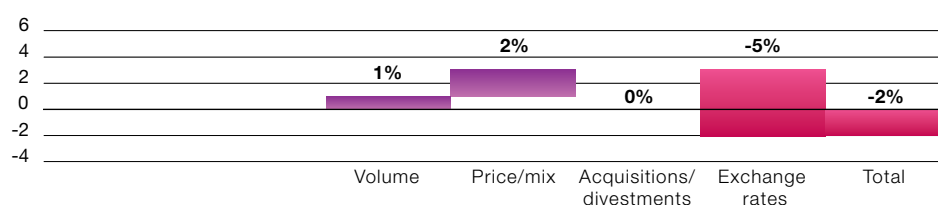
Revenue was up 4 percent, mainly due to higher volumes and favorable price/mix. All regions showed a positive volume trend over prior year. Restructuring initiatives continue.

Revenue

2nd quarter			January - June			
2013	2014	Δ%	in € millions	2013	2014	Δ%
400	393	(2)	Marine and Protective Coatings	751	750	-
339	334	(1)	Automotive and Aerospace Coatings	657	641	(2)
252	262	4	Powder Coatings	482	502	4
474	452	(5)	Industrial Coatings	914	873	(4)
(7)	(7)		Other/intragroup eliminations	(15)	(13)	
1,458	1,434	(2)	Total	2,789	2,753	(1)
163	178	9	Operating income	292	304	4
11.2	12.4		ROS%	10.5	11.0	
			Average invested capital	2,546	2,432	
			Moving average ROI (in %)	21.0	22.1	
197	212	8	EBITDA	360	375	4
26	37		Capital expenditures	52	63	
			Number of employees	21,420	21,210	

Revenue development Q2 2014

■ Increase ■ Decrease



Industrial Coatings

Revenue was down 5 percent, as a result of lower volume and adverse currency effects, partly offset by a positive price/mix. The Asia Pacific region saw growth in all businesses, particularly the Coil business, while Wood and Packaging showed recovery in mature European markets.