

# Performance Coatings

- Volumes up 2 percent
- Revenue flat compared with the previous year
- Operating income down 16 percent as higher restructuring costs more than offset operating income improvement
- A new organizational structure is being implemented in order to drive leading performance

Volumes were up, driven by Marine and Protective Coatings and Powder Coatings, partially offset by lower volumes at Automotive and Aerospace Coatings. Revenue was flat compared with the previous year as price/mix and adverse currencies offset higher volumes. Cost control measures continued in all businesses. The new organizational structure reduces the number of management layers, resulting in higher restructuring costs in the quarter.

## Marine and Protective Coatings

Volumes were up on 2013 due to both Marine and Protective Coatings. Marine delivered growth in new construction and deep sea maintenance, while growth at Protective was in heavy industry and the oil and gas sectors. Revenue was 2 percent higher, with adverse price/mix partially offsetting the higher volumes.

## Automotive and Aerospace Coatings

Volumes were down on the previous year. In Vehicle Refinishes, volumes increased in China and North America, but declined in South America and Europe. Specialty Finishes showed strong growth in Asia, offset by slowness in other regions. Volumes in Aerospace grew. Revenue was 1 percent higher, due to price/mix offsetting lower volumes.

## Powder Coatings

Volumes were up in European markets and the Americas, while there was a slowdown in activity in China. Growth varied by segment, with automotive and functional being strong, while construction was softer. Revenue was 2 percent higher, due to volumes and price/mix.

## Industrial Coatings

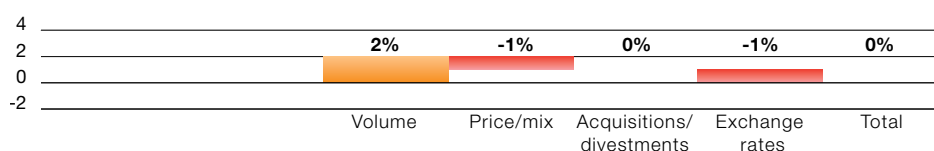
Volumes remained flat, with growth in Packaging and declines in Wood and Coil. Regionally, volumes grew in Asia, declined in Europe and remained flat in the Americas. Revenue

## Revenue

3rd quarter			January - September			
2013	2014	Δ%	in € millions	2013	2014	Δ%
373	379	2	Marine and Protective Coatings	1,124	1,129	-
332	336	1	Automotive and Aerospace Coatings	989	977	(1)
254	260	2	Powder Coatings	736	762	4
461	454	(2)	Industrial Coatings	1,375	1,327	(3)
(5)	(9)		Other/intragroup eliminations	(20)	(22)	
<b>1,415</b>	<b>1,420</b>	<b>-</b>	<b>Total</b>	<b>4,204</b>	<b>4,173</b>	<b>(1)</b>
160	135	(16)	Operating income	452	439	(3)
11.3	9.5		ROS%	10.8	10.5	
			Average invested capital	2,500	2,452	
			Moving average ROI (in %)	22.6	20.9	
193	170	(12)	EBITDA	553	545	(1)
26	31		Capital expenditures	78	94	
			Number of employees	21,440	20,890	

## Revenue development Q3 2014

■ Increase ■ Decrease



was down 2 percent due to adverse currency and price/mix.