

# Performance Coatings

- Revenue up 8 percent in Q2, due to currency effects more than offsetting lower volumes
- Operating income up 24 percent, driven by cost reductions from performance improvement initiatives, margin management activities, manufacturing productivity and currencies
- ROS increased to 14.2 percent (2014: 12.4 percent); ROI increased to 23.9 percent (2014: 22.1 percent)

Revenue was up across the reporting units, benefiting from favorable currencies and higher demand for premium products. Volumes declined in the quarter mainly due to lower capital and maintenance spending in the global oil and gas industry. Russia, Brazil and China remain challenging.

Operating income increased 24 percent driven by cost reductions from performance improvement initiatives (including management de-layering, manufacturing site closures, and general spend reductions), margin management activities, manufacturing productivity and currencies.

## Marine and Protective Coatings

Revenue was up 15 percent, due to favorable currencies and positive volume development within Marine Coatings, partially offset by weaker demand in Protective Coatings due to lower capital spending and delayed projects in the global oil and gas industries. Marine volumes were driven by strong demand from projects in Europe and Asia, tempered by continued weakness in the Chinese shipbuilding industry.

## Automotive and Specialty Coatings

Revenue was up 7 percent, mostly due to favorable currencies and price/mix. Aerospace volumes improved due to continued favorable market conditions. Growth in consumer electronics slowed.

## Industrial and Powder Coatings

Revenue was up 5 percent, due to favorable currencies and price/mix, partially offset by weaker markets, most notably in the Chinese construction industries. Several segments benefited from strength of the construction industries in North America. In Europe, Packaging volume development was positive while coated steel production declined. Volumes were impacted by the expiry of resin supply agreements related to the 2013

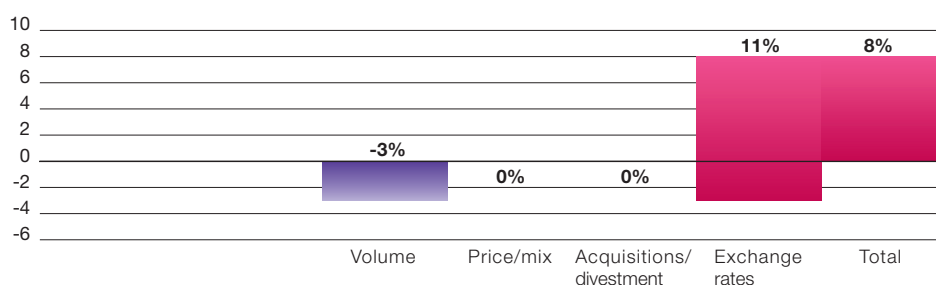
## Revenue \*

Second quarter			January - June			
2014	2015	Δ%	in € millions	2014	2015	Δ%
362	418	15	Marine and Protective Coatings	685	771	13
365	389	7	Automotive and Specialty Coatings	708	777	10
715	750	5	Industrial and Powder Coatings	1,375	1,445	5
(8)	(7)		Other/intragroup eliminations	(15)	(13)	
<b>1,434</b>	<b>1,550</b>	<b>8</b>	<b>Total</b>	<b>2,753</b>	<b>2,980</b>	<b>8</b>
178	220	24	Operating income	304	390	28
12.4	14.2		ROS%	11.0	13.1	
			Average invested capital	2,432	2,643	
			Moving average ROI (in %)	22.1	23.9	
212	257	21	EBITDA	375	463	23
37	35		Capital expenditures	63	64	
			Number of employees	21,200	19,700	

\* Segment reporting following change in business structure.  
For more details, please see the Investor update presentation on [www.akzonobel.com](http://www.akzonobel.com)

## Revenue development Q2 2015

■ Increase ■ Decrease



divestment of AkzoNobel's Decorative Paints business in North America.