

# Performance Coatings

- Revenue up 5 percent in Q3 due to favorable price/mix and currencies more than offsetting lower volumes
- Operating income up 56 percent driven by cost reductions from performance improvement initiatives, lower costs, manufacturing productivity, lower restructuring expenses and currencies
- ROS increased to 14.1 percent (2014: 9.5 percent) and ROI increased to 26.5 percent (2014: 20.9 percent)

Revenue was up 5 percent, benefiting from favorable currencies and continued strong demand for premium products. Volumes declined in the quarter due to ongoing capital spending declines in the global oil and gas industry and further weakening in some markets, most notably Brazil and China.

Operating income increased 56 percent driven by cost reductions from performance improvement initiatives, lower costs, favorable product mix, lower restructuring charges and favorable currency developments.

## Marine and Protective Coatings

Revenue increased 11 percent, due to favorable currencies and positive volume development within Marine, 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 benefited from new construction projects, while maintenance and repair volumes were impacted by owner delays due to low freight rates.

## Automotive and Specialty Coatings

Revenue improved 6 percent, due to favorable currencies, strength in existing consumer electronics platforms and new business in automotive and aerospace. Demand from the commercial vehicle industry was strong across northern Europe. In China and Brazil, passenger car production softened in the quarter.

## Industrial and Powder Coatings

Revenue was up 1 percent, due to favorable currencies and price/mix, partially offset by weaker markets, most notably in China. There was higher demand for Coil Coatings from a stronger construction industry in North America. In Europe, Packaging Coatings development was positive. Volumes continued to be impacted by the expiry of resin supply agreements

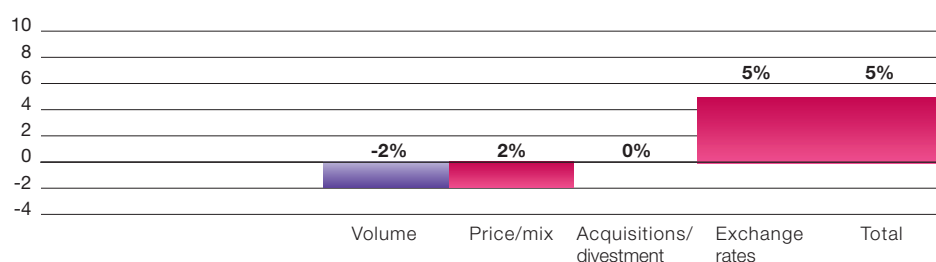
## Revenue \*

Third quarter			January-September			
2014	2015	Δ%	in € millions	2014	2015	Δ%
360	399	11	Marine and Protective Coatings	1,045	1,170	12
357	378	6	Automotive and Specialty Coatings	1,065	1,155	8
714	724	1	Industrial and Powder Coatings	2,089	2,169	4
(11)	(8)		Other/intragroup eliminations	(26)	(21)	
<b>1,420</b>	<b>1,493</b>	<b>5</b>	<b>Total</b>	<b>4,173</b>	<b>4,473</b>	<b>7</b>
135	210	56	Operating income	439	600	37
9.5	14.1		ROS%	10.5	13.4	
			Average invested capital	2,452	2,672	
			Moving average ROI (in %)	20.9	26.5	
170	246	45	EBITDA	545	709	30
31	36		Capital expenditures	94	100	
			Number of employees	20,900	19,500	

\* 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 Q3 2015

■ Increase ■ Decrease



related to the 2013 divestment of AkzoNobel's Decorative Paints business in North America. Powder Coatings announced plans to double its production capacity in Vietnam.