

Media Update

Q1 2013 results

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April 18, 2013



Q1 2013 highlights

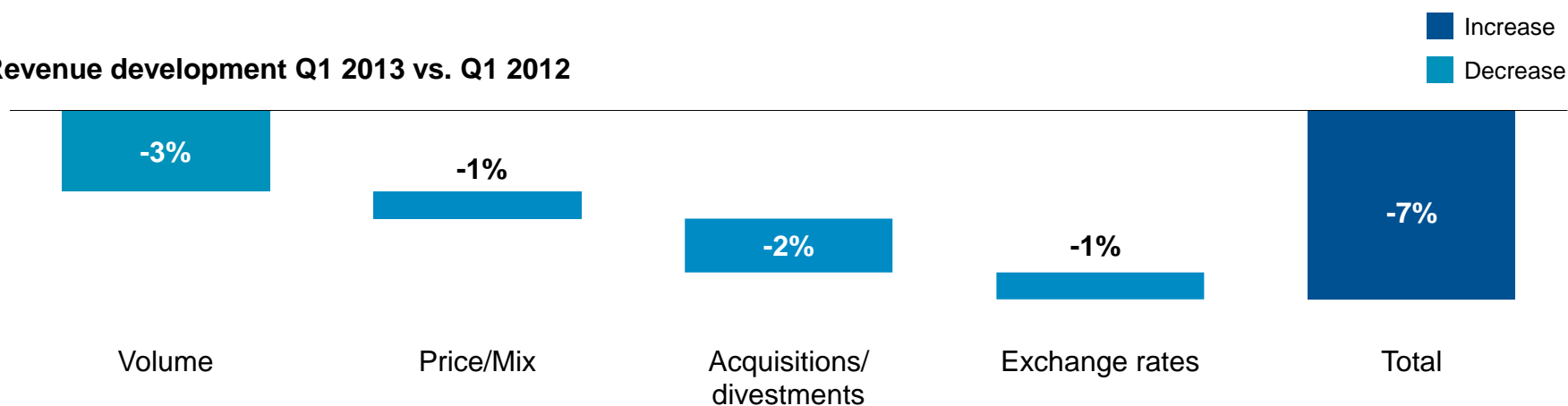
- Revenue down 7 percent due to weak demand in Europe and divestments
- Operating income at €217 million (2012: €236 million) as weaker end markets and production issues in Specialty Chemicals value chain impacted results
- Cash from operating activities improved €298 million, mainly due to lower pension payments
- Net income attributable to shareholders €89million (2012: €84 million)
- Adjusted EPS €0.51 (2012: €0.65)
- Divestment of Decorative Paints North America completed on April 1, 2013
- Strategic focus announced in February addresses the need for performance improvement in challenging market conditions

Challenging Q1 2013

€ million	Q1 2013	Δ%
Revenue	3,465	-7
Operating income	217	-8

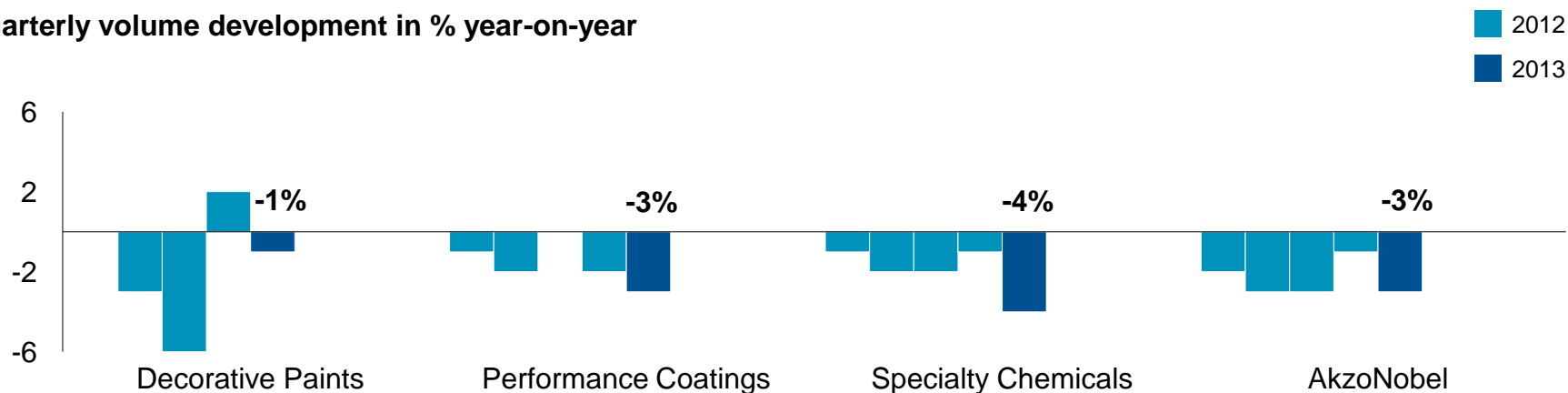
Ratio, %	Q1 2013	Q1 2012
Return on sales	6.3	6.4
Moving average return on investment	7.8	9.4

Revenue development Q1 2013 vs. Q1 2012

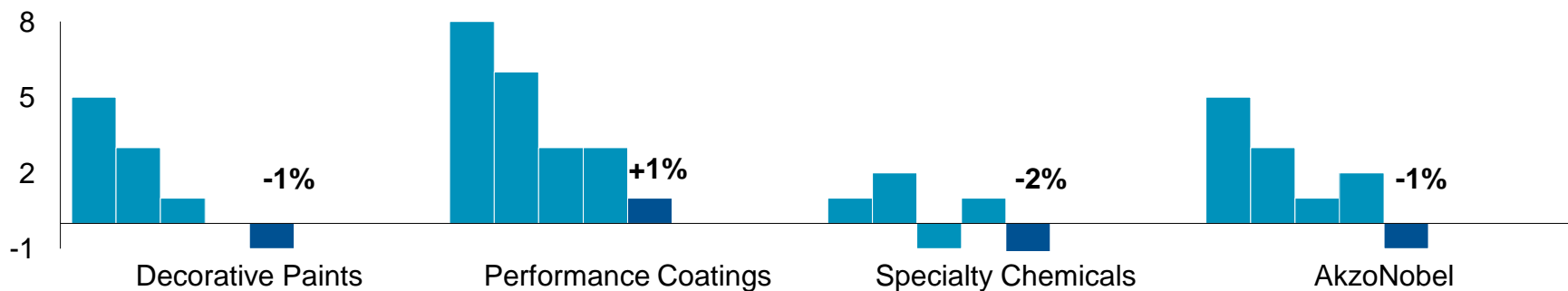


Weaker demand in Europe across all Business Areas

Quarterly volume development in % year-on-year



Quarterly price/mix development in % year-on-year



Decorative Paints Q1 2013 highlights

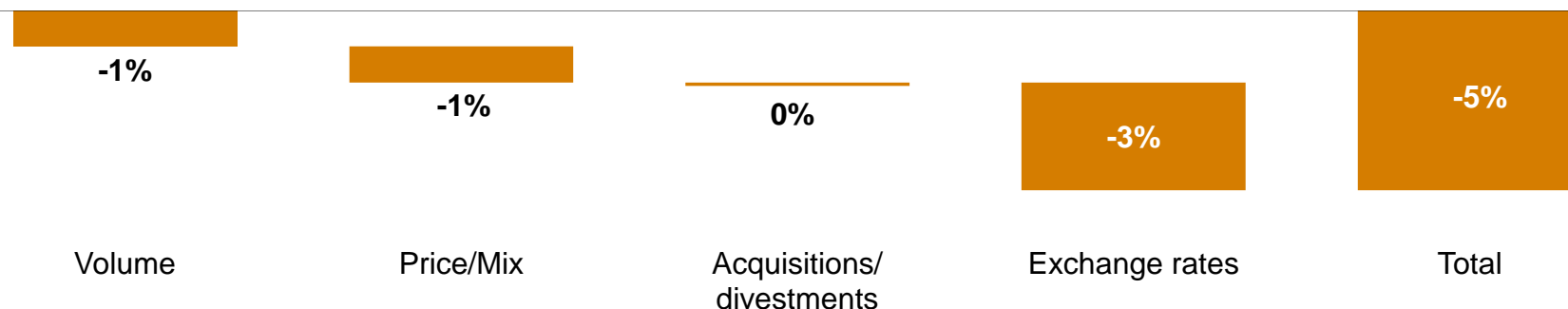
€ million	Q1 2013	Δ%
Revenue	925	(5)
Operating income	43	72

Ratio, %	Q1 2013	Q1 2012
Return on sales	4.6	2.6
Moving average return on investment	2.7	4.4

- Revenue 5 percent down impacted by currencies, lower volumes and price/mix
- Challenging market conditions in Europe negatively impacting price/mix and volumes
- Operating income above the previous year, benefiting from lower cost and lower restructuring charges, but impacted by weak volume development in Europe

Revenue development Q1 2013 vs. Q1 2012

■ Increase
■ Decrease



Performance Coatings

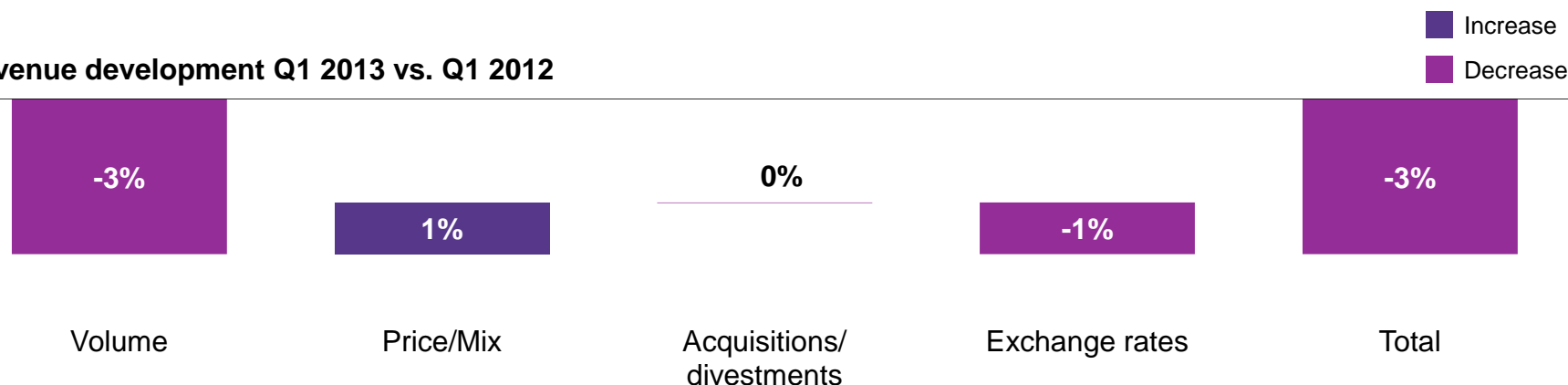
Q1 2013 highlights

€ million	Q1 2013	Δ%
Revenue	1,331	(3)
Operating income	129	2

Ratio, %	Q1 2013	Q1 2012
Return on sales	9.7	9.3
Moving average return on investment	21.3	20.4

- Revenue down 3 percent, primarily due to volume decline in certain markets
- Operating income up 2 percent, return on sales at 9.7 percent (2012: 9.3 percent)
- Ongoing focus on cost control and operational efficiencies

Revenue development Q1 2013 vs. Q1 2012



Specialty Chemicals

Q1 2013 highlights

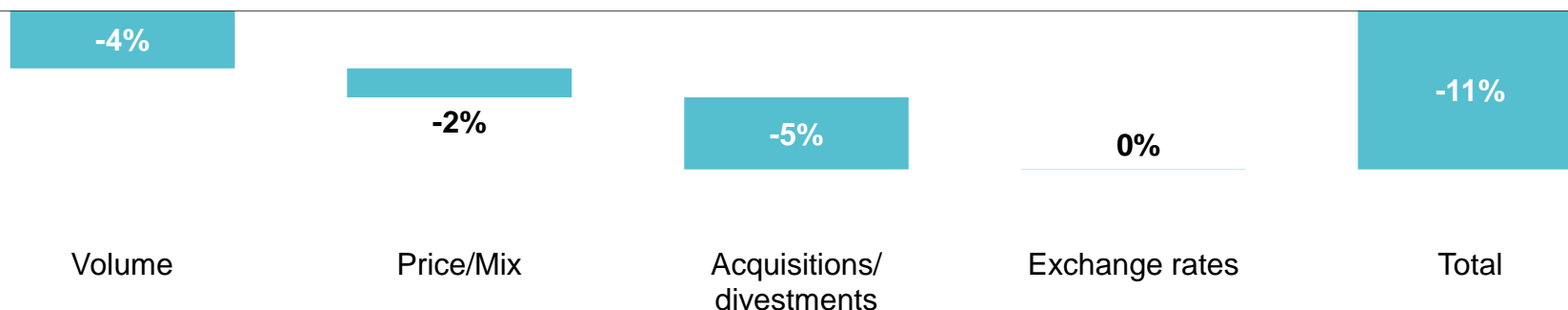
€ million	Q1 2013	Δ%
Revenue	1,244	(11)
Operating income	99	(29)

Ratio, %	Q1 2013	Q1 2012
Return on sales	8.0	10.0
Moving average return on investment	12.4	16.9

- Revenue down 11 percent, due to lower volumes and the Chemicals Pakistan divestment
- Operating income down 29 percent to €99 million, due to unfavorable market conditions and production issues in the value chain
- Surface Chemistry exited the merchant fatty acids business in China
- Performance improvement projects are accelerated in all businesses

Revenue development Q1 2013 vs. Q1 2012

■ Increase
■ Decrease



Conclusion

- Economic slowdown, particularly in Europe, continues to impact our businesses
- Further efficiencies and cost reductions are being delivered in line with the accelerated Performance Improvement Program
- Focus remains on return on operating income and invested capital, and cash generation
- The economic environment remains challenging, and we do not expect an early improvement in the trends that we see in our businesses.
- The acceleration of our Performance Improvement Program and the strategic priorities announced in February are the right focus to have in these markets

Vision:

**Leading
market positions
delivering
leading performance**

Questions