

Investor Update Q1 2013 results

Keith Nichols
April 18, 2013



Agenda

1. **Q1 2013 highlights**
2. **Operational review**
3. **Financial review**
4. **Conclusion**
5. **Questions**

Q1 2013 highlights

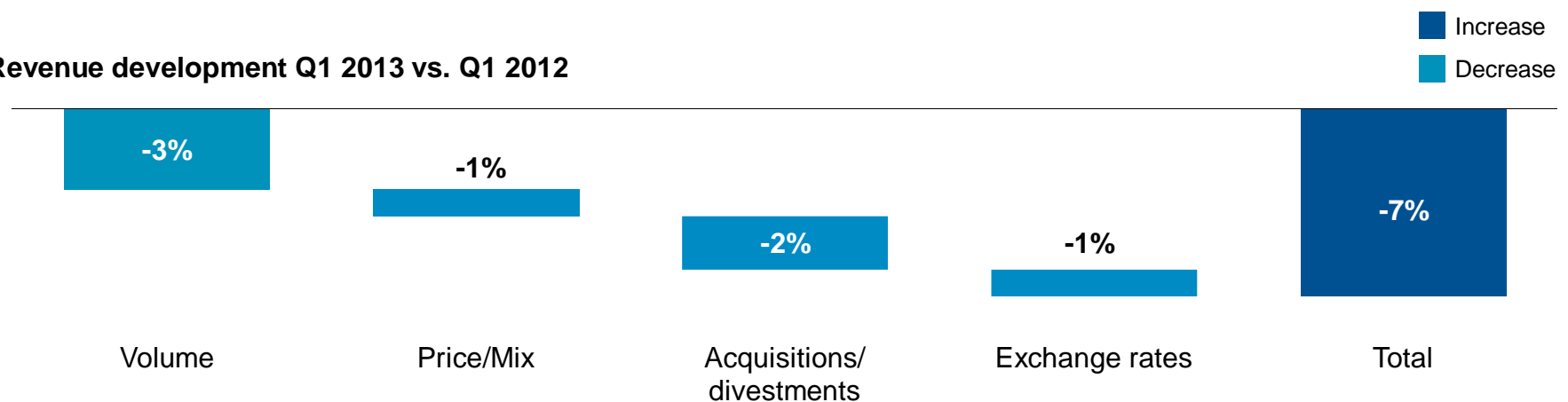
- Revenue down 7 percent due to weak demand in Europe and divestments
- Operating income at €217 million (2012: €236 million) as weaker end markets and production issues in Specialty Chemicals value chain impacted results
- Cash from operating activities improved €298 million, mainly due to lower pension 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

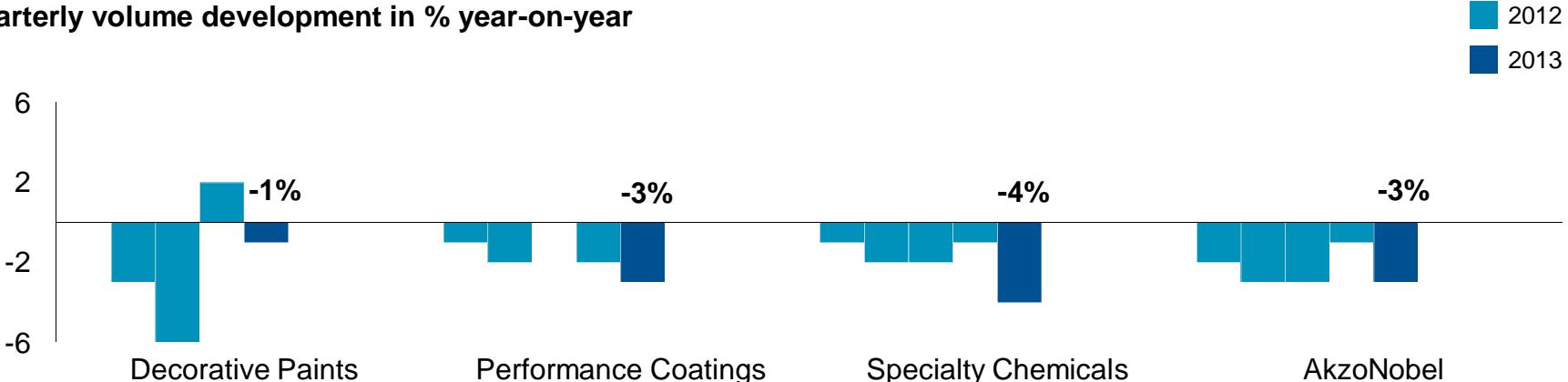
Ratio, %	Q1 2013	Q1 2012
Return on sales	6.3	6.4
Moving average return on investment	7.8	9.4

Revenue development Q1 2013 vs. Q1 2012

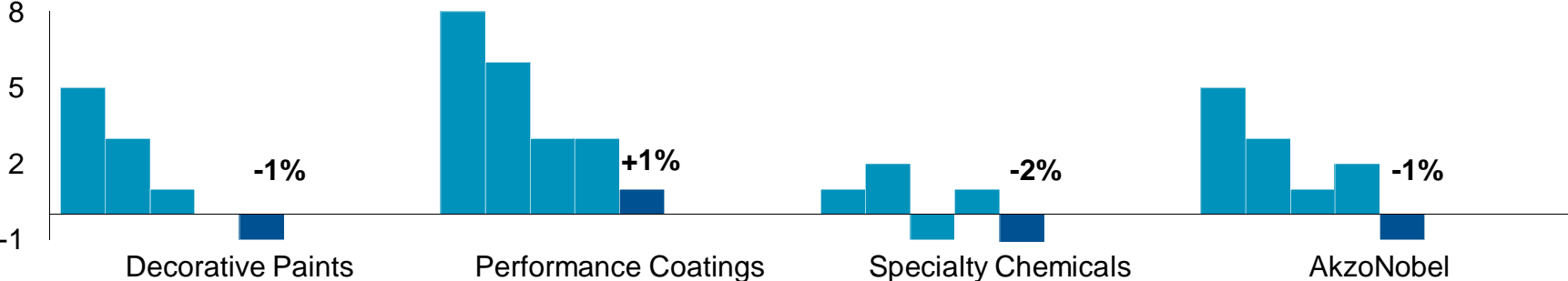


Weaker demand in Europe across all Business Areas

Quarterly volume development in % year-on-year



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



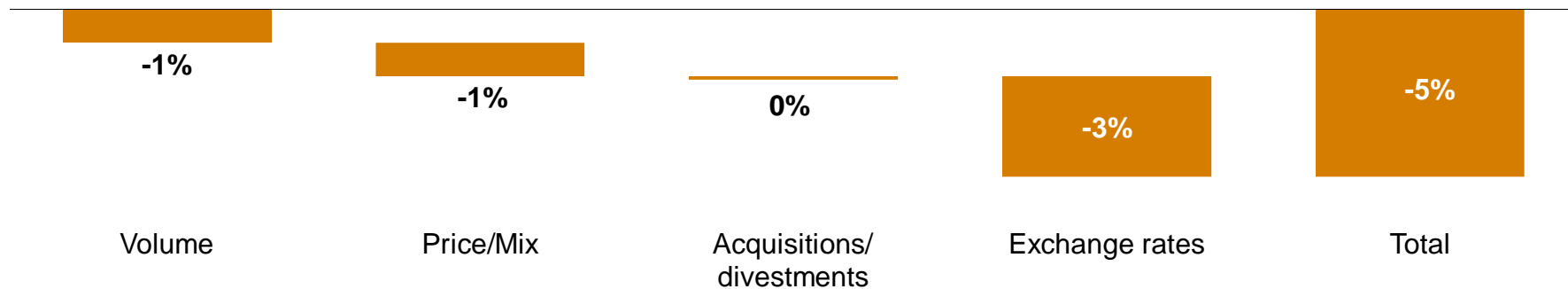
Decorative Paints Q1 2013 highlights

€ 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



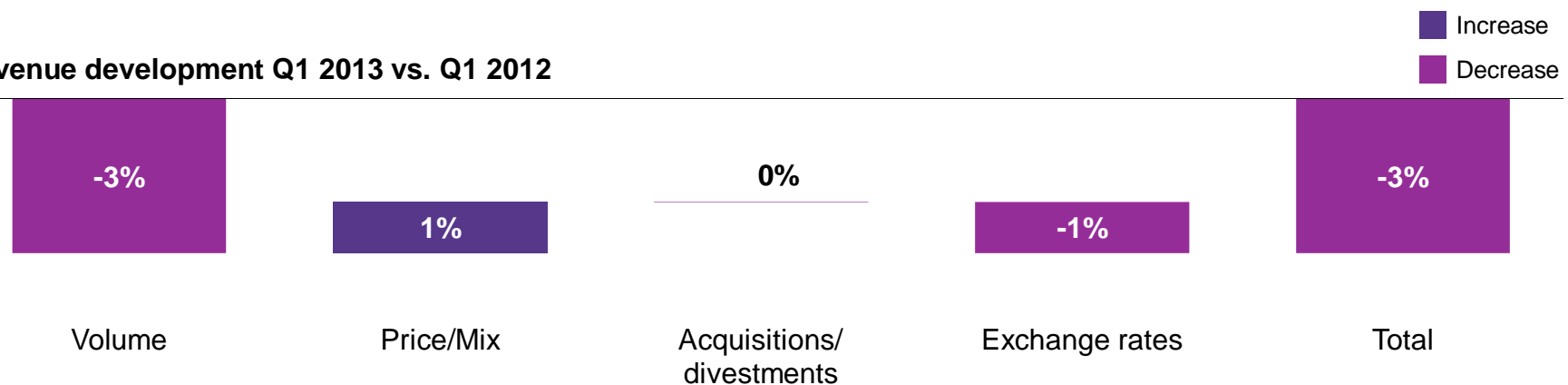
Performance Coatings Q1 2013 highlights

€ 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



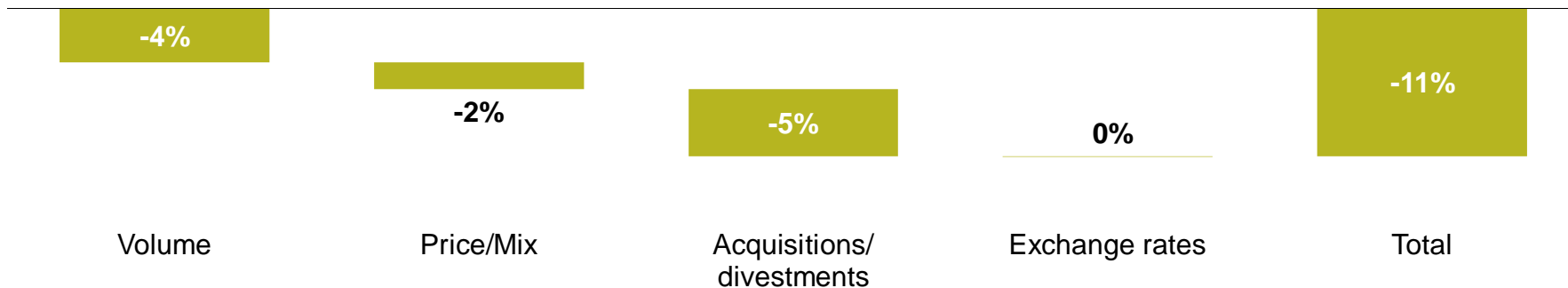
Specialty Chemicals Q1 2013 highlights

€ 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



Summary – Q1 2013 results

€ million	Q1 2013	Q1 2012
EBITDA	375	410
Amortization and depreciation	(158)	(153)
Incidentals	0	(21)
Operating income	217	236
Net financing expenses	(63)	(50)
Minorities and associates	(13)	(10)
Income tax	(45)	(66)
Discontinued operations	(7)	(26)
Net income attributable to shareholders	89	84
Net cash from operating activities	(406)	(704)
Ratio	Q1 2013	Q1 2012
Adjusted earnings per share (in €)	0.51	0.65

Cash flows Q1 2013 clearly improved on last year

<i>€ million</i>	Q1 2013	Q1 2012
Profit for the period from continuing operations	112	124
Amortization, depreciation and impairments	158	153
Change working capital	(350)	(384)
• Pension provisions	(236)	(555)
• Restructuring	(21)	(4)
• Other provisions	(22)	11
Change provisions	(279)	(548)
Other changes	(47)	(49)
Net cash from operating activities	(406)	(704)
Capital expenditures	(131)	(135)
Acquisitions and divestments net of cash acquired	(13)	1
Changes from borrowings	163	490
Dividends	(8)	(3)
Other changes	23	1
Cash flows from discontinued operations	(87)	(71)
Total cash flows	(459)	(421)

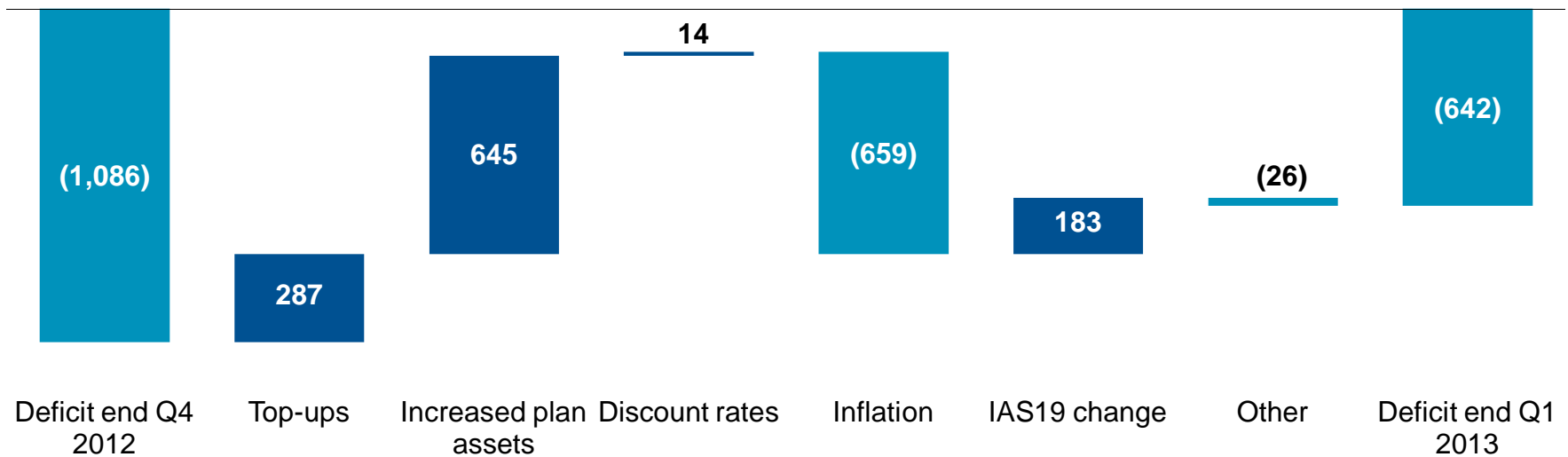
Pension deficit falls to €0.6 billion

<i>Key pension metrics</i>	Q1 2013	Q4 2012
Discount rate	3.9%	3.9%
Inflation assumptions	2.9%	2.4%

Pension deficit development during Q1 2013

€ million

- Decrease
- Increase



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

Safe Harbor Statement

This presentation contains statements which address such key issues as AkzoNobel's growth strategy, future financial results, market positions, product development, products in the pipeline, and product approvals. Such statements should be carefully considered, and it should be understood that many factors could cause forecasted and actual results to differ from these statements. These factors include, but are not limited to, price fluctuations, currency fluctuations, developments in raw material and personnel costs, pensions, physical and environmental risks, legal issues, and legislative, fiscal, and other regulatory measures. Stated competitive positions are based on management estimates supported by information provided by specialized external agencies. For a more comprehensive discussion of the risk factors affecting our business please see our latest Annual Report, a copy of which can be found on the company's corporate website www.akzonobel.com.

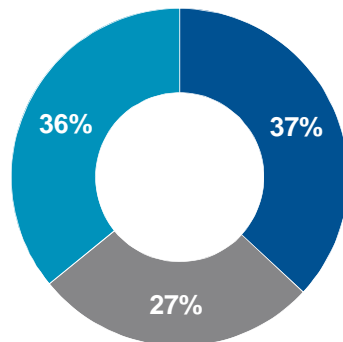
Appendices

AkzoNobel today

- Revenue €15.4 billion
- 50,610 employees
- 44% of revenue from high growth markets
- Major producer of Paints, Coatings and Specialty Chemicals
- Leadership positions in many markets

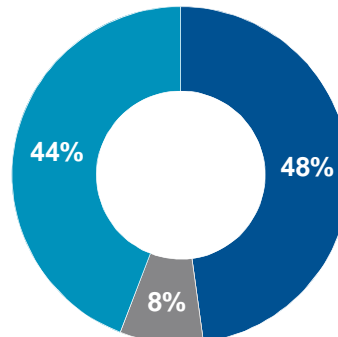


Revenue by Business Area



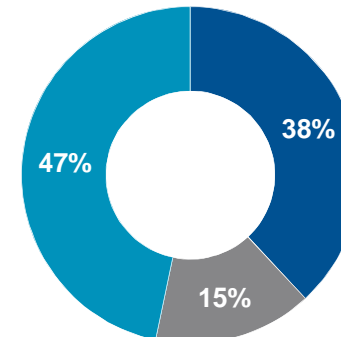
5.4% Growth
2012 vs. 2011

Operating income* by Business Area



5.9% Return on sales
(operating income/revenue)

EBITDA by Business Area**



10.4% EBITDA/revenue

- Performance Coatings
- Decorative Paints
- Specialty Chemicals

* 2012 excluding impairment (€2.1 billion) **New definition including incidentals and after IAS19

Leading market positions delivering leading performance

AkzoNobel has gone through a significant amount of strategic change over the past five years

Today, the company has

- Excellent portfolio of businesses
- Good long term growth potential on the basis of end-user segment growth
- Strong positions in high growth markets (44% of revenue)
- Leadership positions in many markets
- Clear leader in sustainability
- Track record of delivering sustainable innovations and products
- Strong brands, both in consumer and industrial markets

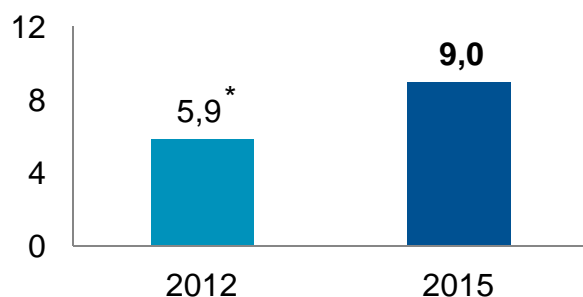
Clear focus to deliver on our significant potential

- Improved returns and cash flow
- Leveraging scale
- Simplification and standardization
- Continued innovation

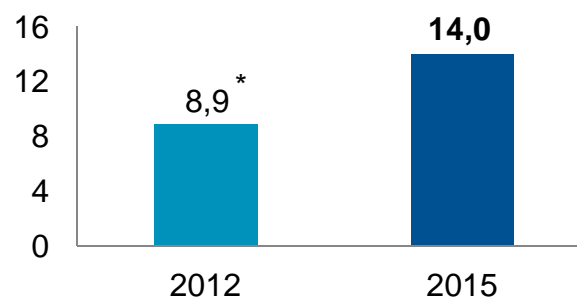


New and realistic 2015 financial targets focused on quality of earnings and value creation

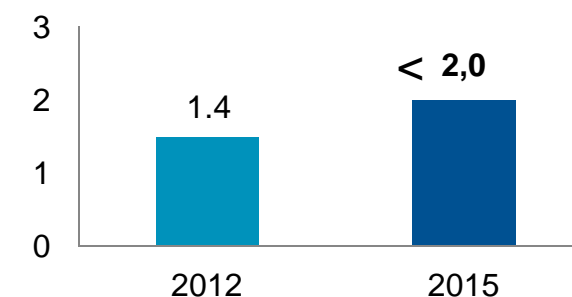
Return on sales
(Operating income/revenue)
%



Return on investment
(Operating income/average
12 months invested capital)
%



Net debt/EBITDA
x



Assumes sales growth (CAGR) for the period of 4%

*2012 excluding impairment (€2.1 billion) and after IAS19

Strategy on a page



Strategic focus areas

- Care for the customer
- Reduction of product and process complexity
- Cash and return on investment
- Embedded safety and sustainability
- Diverse and inclusive talent development



Processes

- Behavior-based and process safety
- Operational control cycle
- Continuous improvement
- Innovation
- Procurement
- Talent management



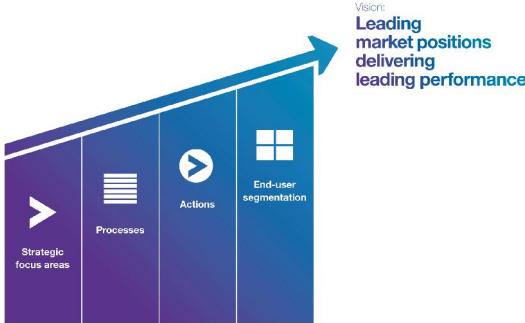
Actions

- Deliver dependably
- Grow organically
- Innovate
- Simplify
- Standardize
- Continuously improve



End-user segmentation

- Buildings and Infrastructure
- Transportation
- Consumer Goods
- Industrial



Buildings and Infrastructure

~43% of revenues

New Build Projects
Maintenance, Renovation & Repair
Building Products & Components

Transportation

~16% of revenues

Automotive OEM, Parts and Assembly
Automotive Repair
Marine and Air Transport

~16% of revenues

Consumer Durables
Consumer Packaged Goods

Consumer Goods

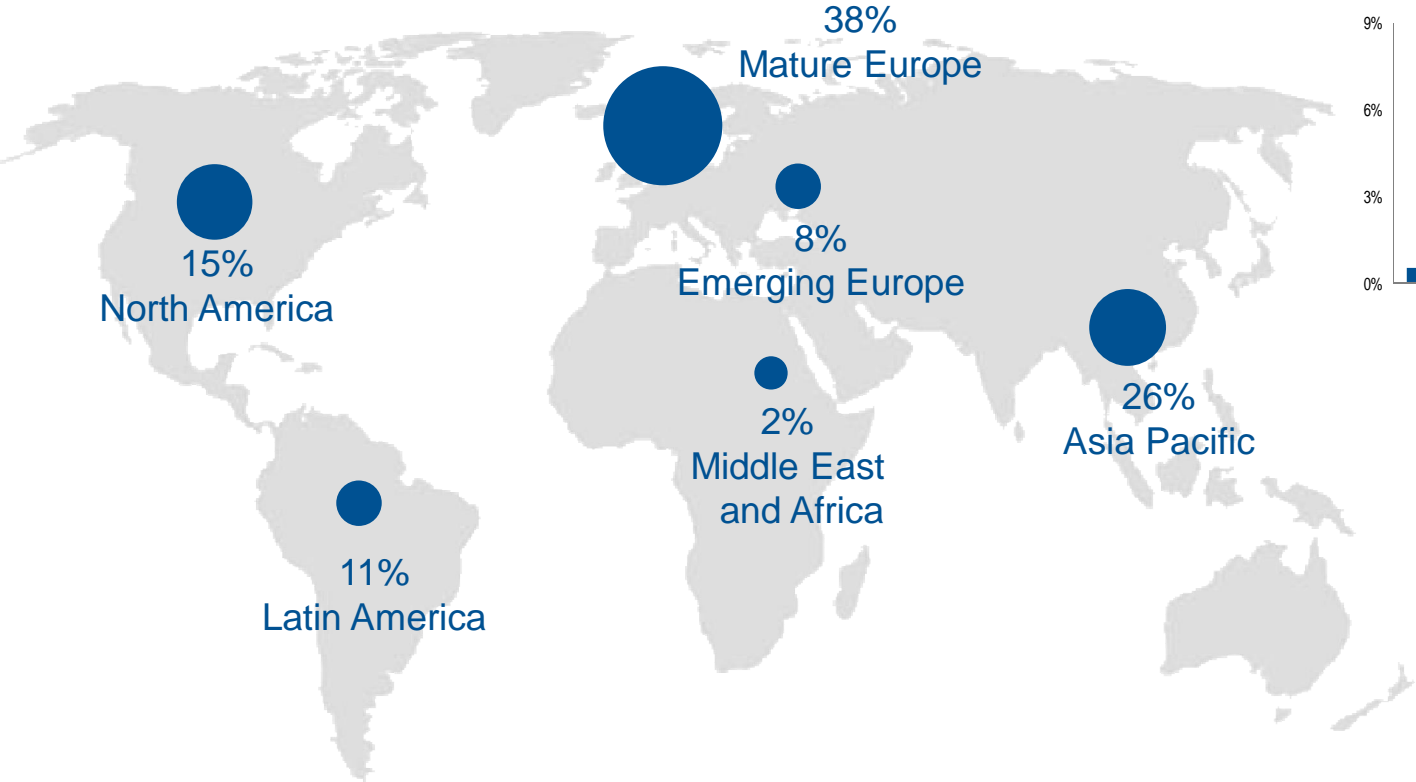
~25% of revenues

Natural Resource and Energy Industries
Process Industries

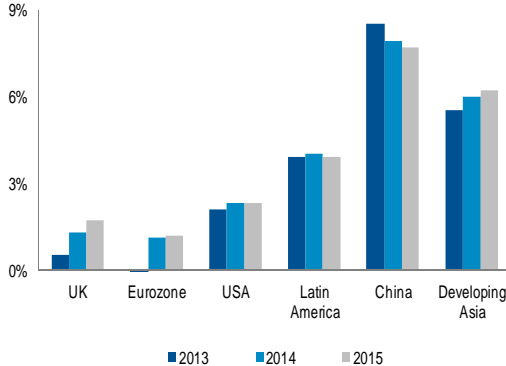
Industrial

High growth markets are 44% of revenue and their importance will increase

% of 2012 revenue, excluding Decorative Paints North America



Three year GDP growth*



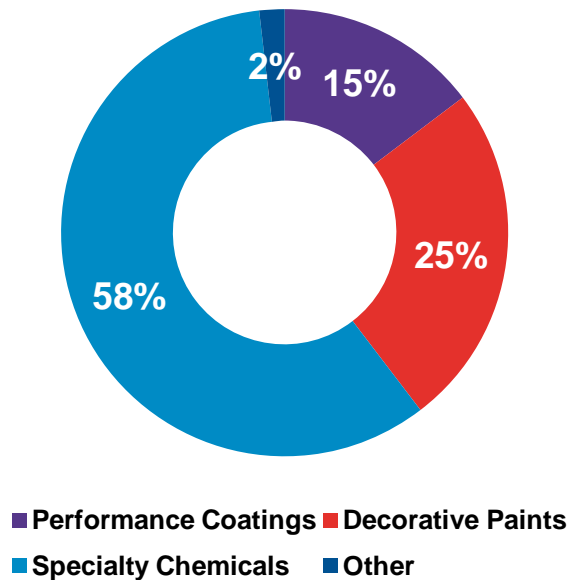
Our goal: Greater than 50% of revenues from high growth markets

* Source: EIU: GDP year on year growth in local currency at constant prices

Capital allocation policy is focused on high growth markets and efficiency

Capital expenditure

2012, 100% = €826 million (5.4% of revenue)



- Capital expenditure will be around 4% of revenues going forward
- 40-50% growth related

Major projects underway and timing of spend

Business Area	Investment project	2012	2013	2014	2015
Performance Coatings	China expansion	█			
Decorative Paints	UK megaplant	█			
Decorative Paints	China expansion	█	█		
Specialty Chemicals	Ningbo multisite	█			
Specialty Chemicals	Frankfurt membrane	█			█
Specialty Chemicals	Brazil Eldorado	█		█	
Specialty Chemicals	Brazil Suzano	█		█	

Sustainability is business; Business is sustainability



- **‘Downstream eco-premium solutions’:**
20% of our revenues by 2020
We will increase the revenue from solutions that generate direct resource and energy benefits for our customers, consumers and users
- **Reduction of carbon emissions**
25-30% reduction per ton by 2020 (2012 base)
We will reduce our carbon emissions through the value chain
- **Resource efficiency**
As of 2014 AkzoNobel will report on an innovative new index measuring how we improve resource efficiency across the full value chain - compared to the value we generate

End-user segment trends, combined with sustainability, direct our innovation spend

AkzoNobel



Innovation Pipeline Q1 2013

Decorative Paints – Sikkens Rubbol Express Line

Key Features

- Excellent drying times - even at low temperatures and under high humidity conditions
- Based on patented catalyst technology
- Available as an extremely fast-drying primer and a best-in-class leveling high-gloss top coat



Customer Benefits

- Outdoor painting jobs can be carried out between 3°C and 30°C, the whole year through
- Long-lasting coating due to improved durability
- Perfect appearance in whiteness and flow properties

Growth Potential

- Initially launched in Netherlands in November 2012 – forecast sales volume for the year was achieved in just two weeks
- Extremely attractive offering for the professional painter segment
- Roll-out to be extended to other premium markets during 2013

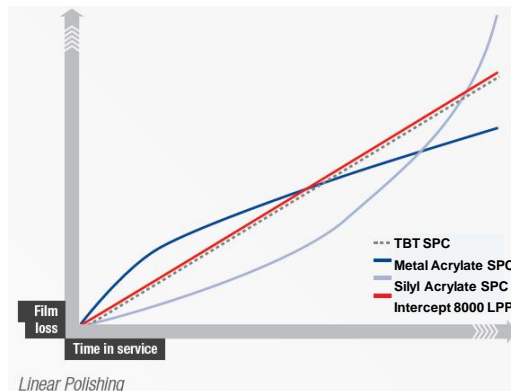
A fast-drying trim paint range for all seasons and all weather conditions

Innovation Pipeline Q1 2013

Marine Coatings – Intercept® 8000 LPP

Key Features

- Next generation biocidal antifouling, based on patented Linear Polishing Polymer (LPP) technology
- Highly hydrated super-hydrophilic surface established on immersion
- Monomer process chemistry developed in collaboration with AkzoNobel Surface Chemistry



Customer Benefits

- Predictable fouling prevention over 60 months through consistent polishing performance
- Reduced vessel drag leading to lower fuel consumption
- Economically & environmentally favorable schemes compared to current silyl acrylate alternative*

Growth Potential

- Global launch in Feb 2013 with further development underway
- Sales predicted to double over three years

Novel anti-fouling technology with linear performance and reduced environmental impact*

* Based on an eco-efficiency analysis study

Innovation Pipeline Q1 2013

Packaging Coatings - EvCote® barrier coating

Key Features

- Heat-sealable, high gloss, abrasion-resistant varnish with excellent water and grease barrier properties
- Base resin made from recycled PET, enabling 100% recyclable, re-pulpable and compostable paper packaging
- Replaces fluorocarbon wax barrier coatings



Customer Benefits

- Increased efficiency for customers through faster processing
- Improved package performance through enhanced barrier properties
- Reduced environmental impact due to recyclable character

Growth Potential

- Serving the total paper packaging value chain in collaboration with AkzoNobel Pulp and Performance Chemicals
- First entry of Packaging Coatings business into €4 billion global paper coatings market
- Significant growth opportunities in next three years identified

Multi-functional solution for paper and paperboard packaging applications
with reduced environmental footprint

Innovation Pipeline Q1 2013 Pulp and Performance Chemicals – EcoFill®

Key Features

- Proprietary, engineered cellulose and charge control polymer binding system for improving paper strength
- Enables 5-10 percent of expensive wood pulp to be replaced by cheaper mineral fillers without compromising paper quality



Customer Benefits

- Better sustainability – uses fewer trees
- Reduced raw material costs
- Reduced drying time and lower energy consumption in paper production
- Faster production
- Improved product performance

Growth Potential

- Launched in Asia and North America in 2012; to be extended to Europe during 2013
- Potential applications in other segments where different filler types are used
- The knowledge is expected to be used for modified chemical systems for other non-filler paper/board grades

A superior high filler technology for fine paper and packaging

Performance Improvement Program to deliver €500 million in 2013, one year earlier than planned

AkzoNobel



Key summary to date

- **Gains of €250 million**, excluding Decorative Paints North America
- **Costs of €292 million**, excluding Decorative Paints North America
- Pulled actions and associated costs forward
- Added measures (including European Decorative Paints) with additional cost in 2012

2013 Plan

- Accelerate delivery of recurring **€500 million EBITDA gain** in 2013, which was originally intended in 2014
- Associated cost is estimated at **€205 million**
- Guidance of **€500 million** remains even though North America Decorative Paints will be divested
- Added measures included

Moving from project based to continuous improvement will be core in 2013

Operational Excellence

- Product and margin management
- Consolidation of RD&I
- Logistic and warehouse optimization

Functional Excellence

- IT infrastructure simplification
- HR shared service model
- Finance shared service centers

Business Unit Adaptations

- Organizational redesign of Marine and Protective Coatings, Wood Finishes and Adhesives, and Pulp and Performance Chemicals
- Additional restructuring of Decorative Paints Europe



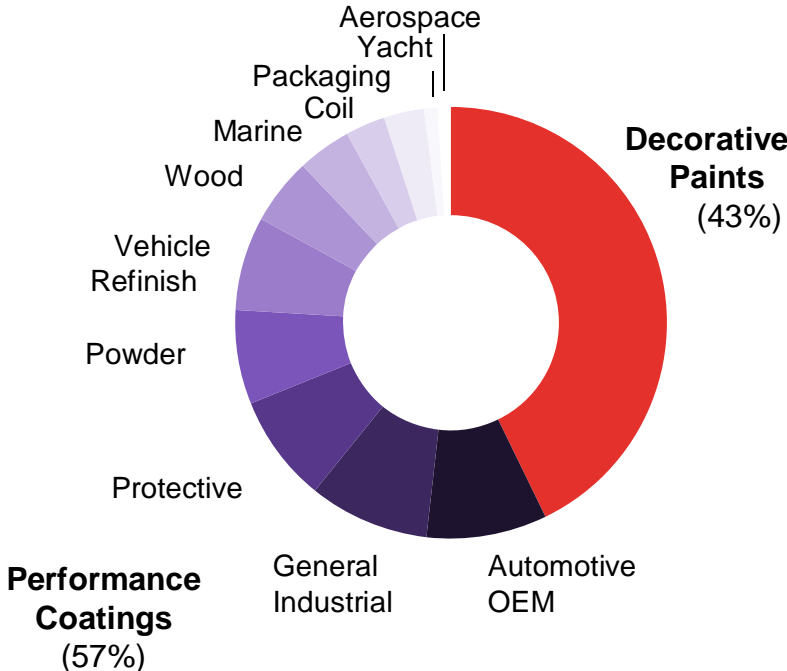
During 2013, we will embed continuous improvement in our businesses

Our actions in 2012 have simplified the Business Areas

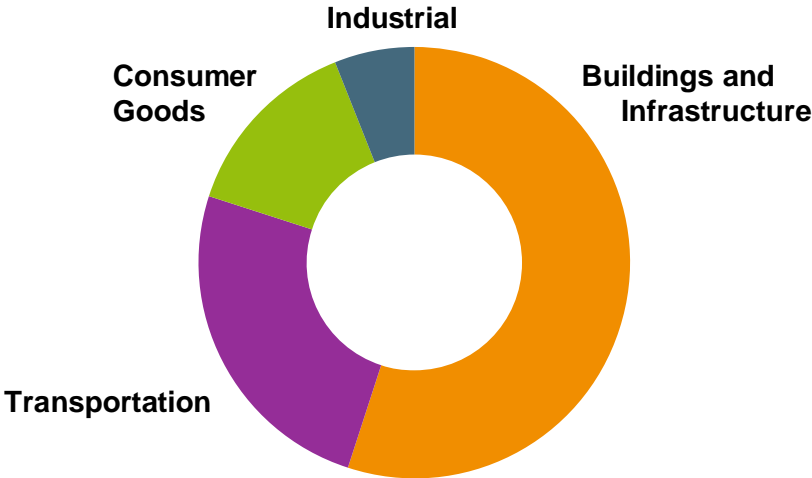
Business Area	Business Units	2012 Actions
<p style="text-align: center; color: white;">Decorative Paints</p>	<ul style="list-style-type: none"> • Europe • Latin America • Asia 	<ul style="list-style-type: none"> • Announced divestment of North America Decorative Paints
<p style="text-align: center; color: white;">Performance Coatings</p>	<ul style="list-style-type: none"> • Marine and Protective Coatings • Automotive and Aerospace Coatings • Powder Coatings • Industrial Coatings 	<ul style="list-style-type: none"> • Reduction of business units • Wood finishes is now part of Industrial Coatings • Specialty finishes, previously in Industrial Coatings, is now with Automotive
<p style="text-align: center; color: white;">Specialty Chemicals</p>	<ul style="list-style-type: none"> • Functional Chemicals • Industrial Chemicals • Surface Chemistry • Pulp and Performance Chemicals 	<ul style="list-style-type: none"> • Completed divestment of Chemicals Pakistan

The global paints and coatings market is around €75 billion







By market sector
2011, 100% = €75 billion



By end-user segment
2011, 100% = €75 billion



AkzoNobel has many leading market positions

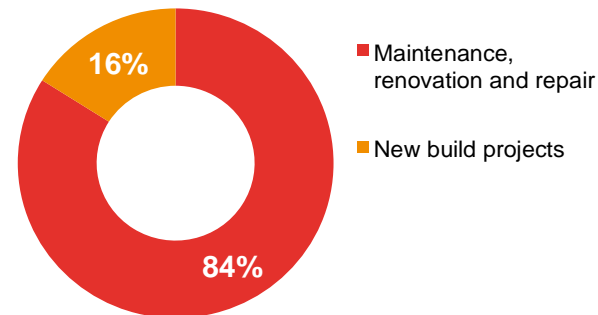
		No.1 Position	Other key players
Decorative	Multiple regions outside North America		PPG, regional players
	North America*	Sherwin-Williams	PPG, regional players
Protective			Sherwin-Williams, Jotun
Powder			Axalta, Jotun, regional players
Auto refinish		Axalta	PPG, AkzoNobel
Wood			Sherwin-Williams, Valspar
Marine			Jotun, Chugoku
Coil			PPG, Beckers

* AkzoNobel not present with North America divestment to PPG

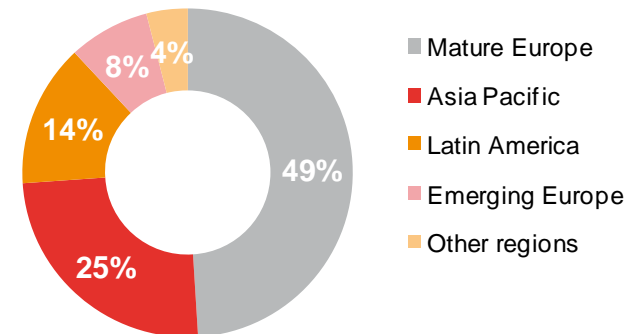
Decorative Paints overview



Revenue by end-user sub-segment



Revenue by geographic region



Decorative Paints key figures

(new definition)

€million	2012*
Revenue	4,297
EBITDA	284
Operating income	94
Return on sales	2.2%
Return on investment	3.0%
# Employees	17,020

BA-level core processes and capabilities

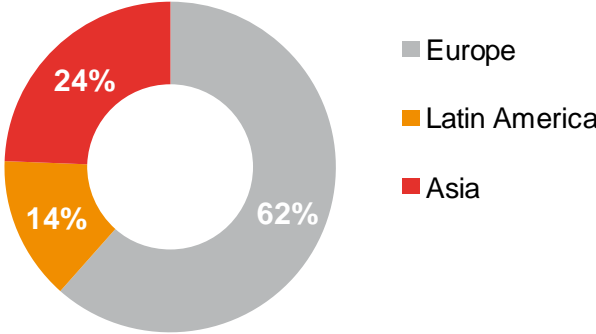
- Branding
- Distributor, wholesaler, retail management
- Understanding and serving professional painters
- Consumer inspiration
- Quality management, including product portfolio management

* After the divestment of Decorative Paints North America, excluding impairment (€2.1 billion)

Decorative Paints sees limited overall market sector growth in the near future

End-user sub-segment	Geographic region	Forward looking trends
New build projects	Europe	➔
	North America	➔
	Asia	➔
	Latin America	
Maintenance, renovation and repair	Europe	➔
	North America	➔
	Asia	➔
	Latin America	

Revenue by Business Unit



Expected market growth for the market sectors relevant to AkzoNobel: 3-4%



After the divestment of North America, our focus is on adapting Europe, and investing in high growth markets

AkzoNobel

Europe

- European organization **de-layered**
- Better **proximity to customers**
- Implemented standard processes and merged ERP system to one
- Implementing a single business entity
- Restructuring cost and benefits for 2013 included in Performance Improvement Program
- Additional costs are expected in 2014; total recurring operational **benefits of €100 million** will be realized by end of 2014

High growth markets

- Additional **investment** in China
- Continuously **expanding the franchise network** in China, India, and South East Asia
- Stronger **focus** on Eastern Europe, Middle East and Africa
- **Expansion** of activities in Latin America



Decorative Paints strategic direction

Noteworthy events 2012

- Launched “Let’s Color” brand and campaign globally
- Global campaigns to inspire customers
- Expanded store network in China and India
- Announcement divestment of Decorative Paints North America
- Realigning and restructuring European business

Actions going forward

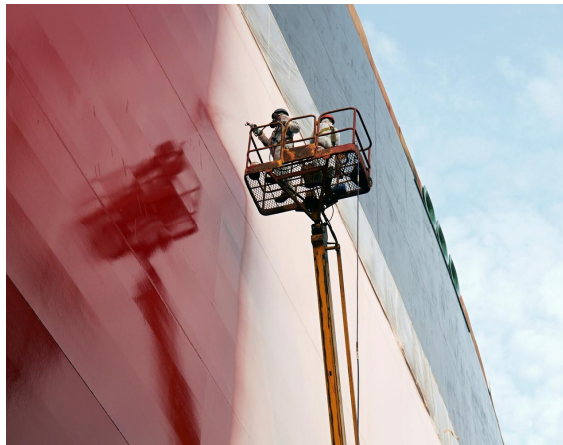
- Expand manufacturing capacity in China and India
- Expand market presence in emerging Europe and the Middle East
- Complete the divestment of North America
- Launch new products for the high growth markets
- Deliver on the realignment of the European organization



Expected 2015 financial outcomes

- Organic revenue growth: 5%
- Return on sales: 7.5%
- Return on investment : 12%

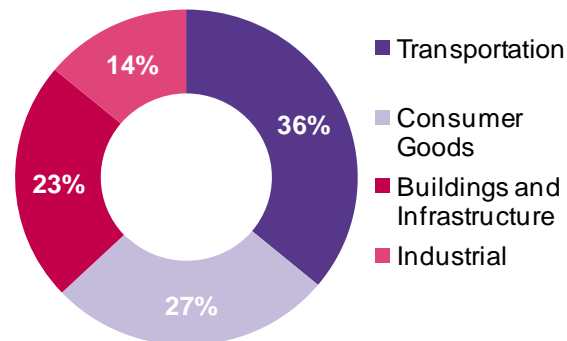
Performance Coatings overview



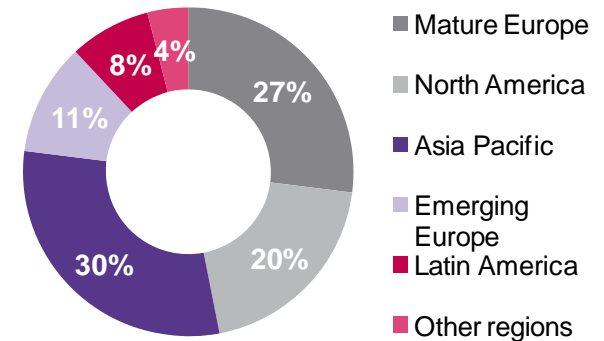
Performance Coatings key figures (new definition)

€million	2012
Revenue	5,702
EBITDA	673
Operating income	542
Return on sales	9.5%
Return on investment	21.7%
# Employees	21,310

Revenue by end-user segment



Revenue by geographic region



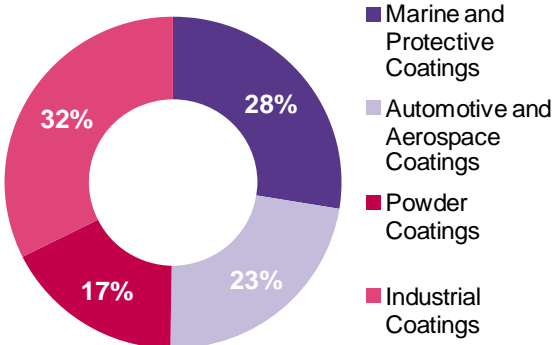
BA-level core processes and capabilities

- Industrial key account management
- Technical support and service
- Design, color and color matching
- Continuous innovation in functionality and ease-of-use
- Sustainable, safe solutions

Performance Coatings sees growth in several key market sectors

End-user segment	Performance Coatings market sectors serving the segment	Forward looking trends
Transportation	Automotive and air Marine transport	↗ →
Consumer Goods	Powder and packaging coatings, wood and specialty plastic finishes	→
Buildings and Infrastructure	Protective, coil and powder coatings, wood finishes	→
Industrial	Protective and powder coatings	→

Revenue by Business Unit



Expected market growth for the market sectors relevant to AkzoNobel: 4%

* AkzoNobel has a limited position in Automotive OEM coatings

Performance Coatings strategic direction

Noteworthy events 2012

- Schramm acquisition integration on track
- Opened a new manufacturing facility in Vietnam
- Multiple sport stadium contracts for London Olympics and Brazil's future events
- McLaren partnership expanded
- Realigned organization to four Business Units (from five)
- Reorganized Europe for multiple Business Units (Wood, Marine, Automotive)

Actions going forward

- Complete manufacturing expansion for automotive refinish in China
- Complete Schramm integration
- Product and margin management
- Continue product line rationalization
- Continue ERP consolidation



Expected 2015 financial outcomes

- Organic revenue growth: 5%
- Return on sales: 12%
- Return on investment: 25%

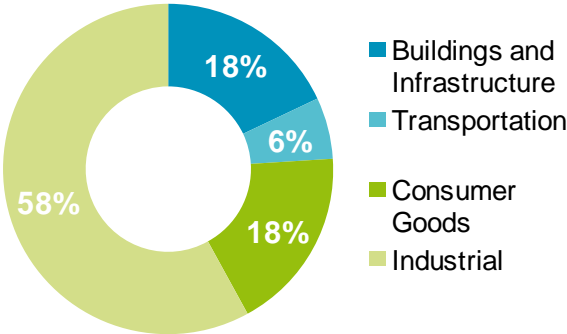
Specialty Chemicals overview



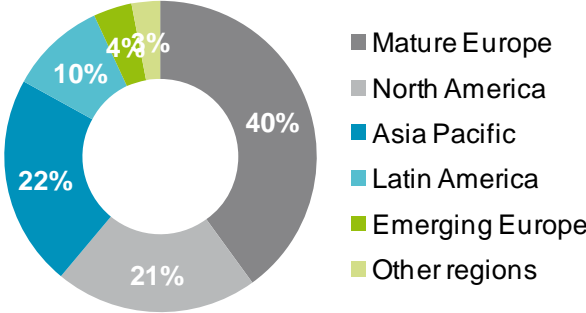
Specialty Chemicals key figures (new definition)

€million	2012
Revenue	5,543
EBITDA	830
Operating income	500
Return on sales	9.0%
Return on investment	13.6%
# Employees	10,750

Revenue by end-user segment



Revenue by geographic spread



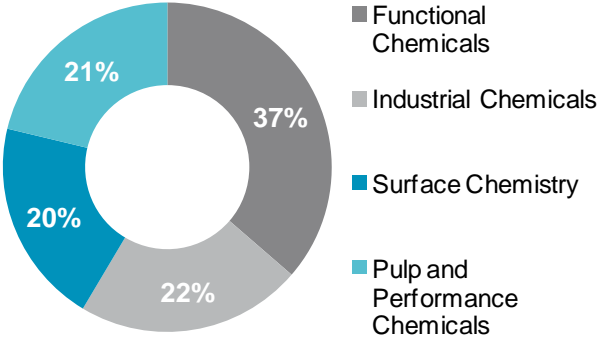
BA-level core processes and capabilities

- Management of integrated value chains
- Continuous technological advancement
- Engineering and project management
- Process safety
- Product and margin management
- Managing capital intensive businesses and expansions

Specialty Chemicals sees limited growth in its key market sector positions

End -user segment	Specialty Chemical market sectors serving the segment	Forward looking trends
Industrial	Surface Chemistry, Industrial Chemicals, Functional Chemicals, Pulp and Performance	➔
Consumer Goods	Surfactants, polymers, chelates, ethylene amines, silica products	➔
Buildings and Infrastructure	Redispersable powders, cellulosic derivatives, chlorine, surfactants	➔
Transportation	Chlor-alkali, organic peroxides, metal alkyls	➔

Revenue by Business Unit



Expected market growth for the market sectors relevant to AkzoNobel: 3%

- Key challenges due to capacity surplus in ethylene amines
- Significant energy cost differentiation among regions

Specialty Chemicals strategic direction

Noteworthy events 2012

- Acquired Boxing Oleochemicals, China
- Further expansion in Ningbo, China multisite
- MCA expansion in Taixing, China
- Opened bleaching chemical Island in Brazil and further investment in another site
- Demerger and sales of Chemicals Pakistan

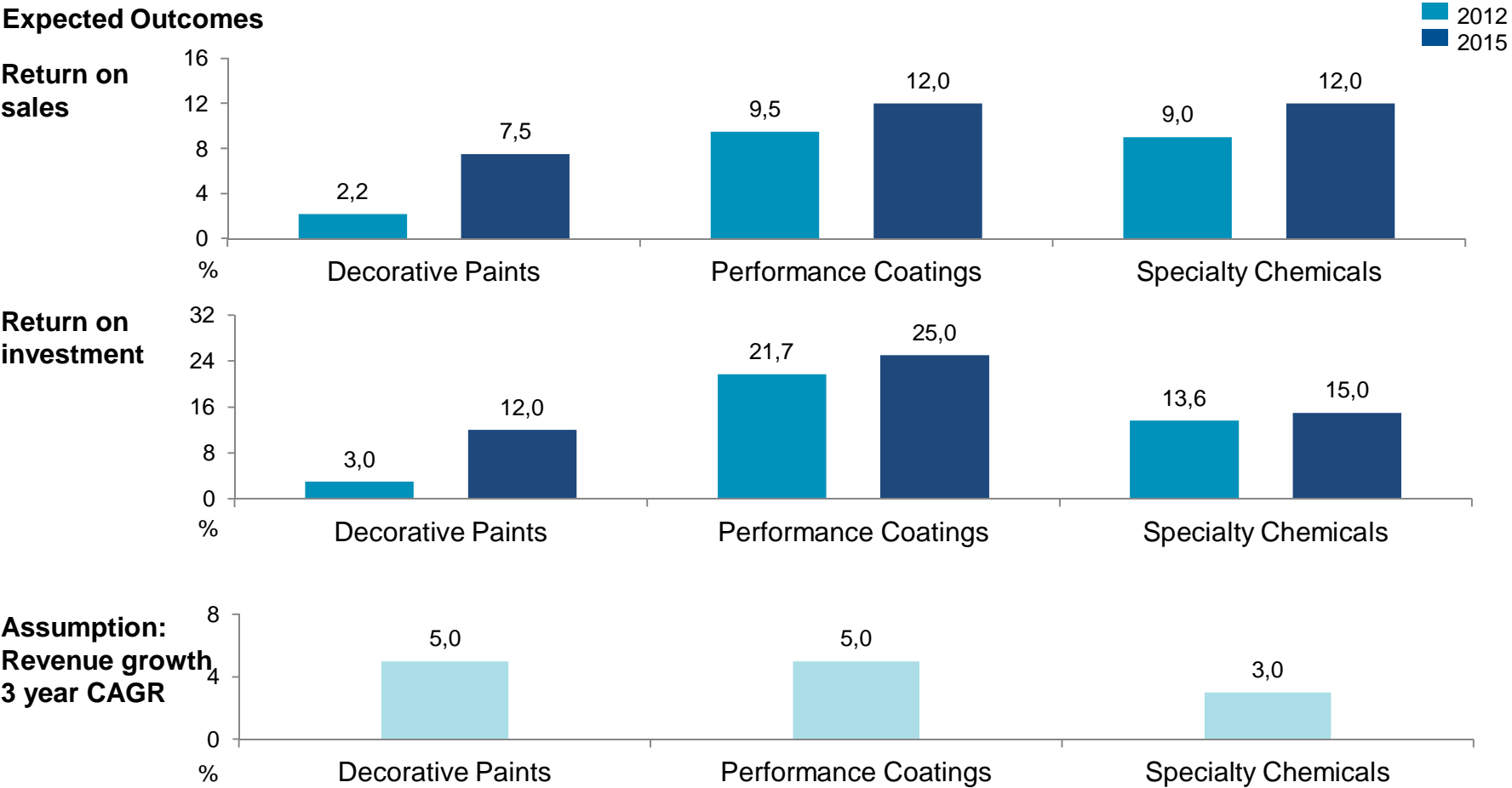
Actions going forward

- Further integrate and grow Boxing
- Benefit from capacity expansions in Taixing, Brazil and Germany
- Generate growth from new products
- Further rationalize and consolidate ERP systems

Expected 2015 financial outcomes

- Organic revenue growth: 3%
- Return on sales: 12%
- Return on investment: 15%

Realistic expected 2015 outcomes



Incidentals now included in EBITDA* as part of ongoing business

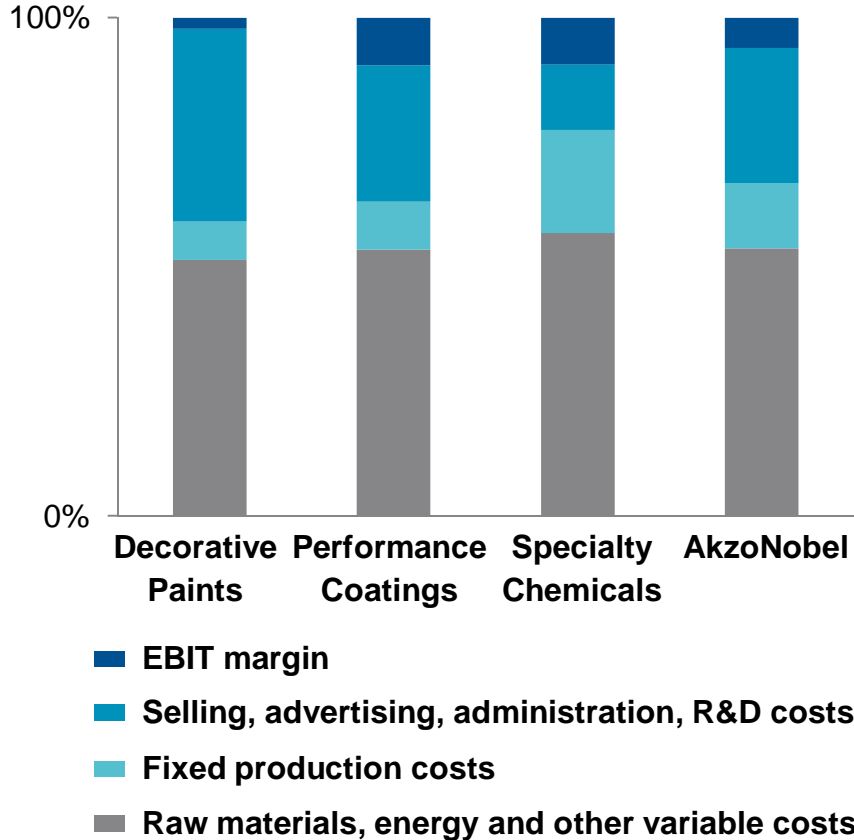
€ million	2010	2011	2012
Restructuring costs	(104)	(129)	(324)
Impairment Deco	-	-	(2,106)
Results related to major legal, anti-trust and environmental cases	(49)	(9)	(36)
Results of acquisitions and divestments	33	10	(45)
Other incidental results	(19)	2	(9)
Total Incidentals as reported	(139)	(126)	(2,520)
Restructuring costs	-	-	-
Impairment Deco	-	-	(2,106)
Results related to major legal, anti-trust and environmental cases	(49)	(9)	(20)
Results of acquisitions and divestments	33	10	(30)
Other incidental results	(16)	2	(14)
Total Restated Incidentals (incl IAS 19 impact)	(32)	3	(2,170)
Total difference	(107)	(129)	(350)
Of which IAS 19 impact on incidentals	-	-	6
Remaining difference due to definition change)	(107)	(129)	(344)
EBITDA as reported	2,009	1,834	1,901
EBITDA adjustment due to new definitions	(107)	(129)	(344)
EBITDA adjustment due to IAS 19 impact	13	12	40
Restated EBITDA (IAS 19 impact included)	1,915	1,717	1,597

* Restated for IAS19 adjustments which impact the other line

Variable costs represent 54% of revenue

Profit and loss breakdown*

% of total

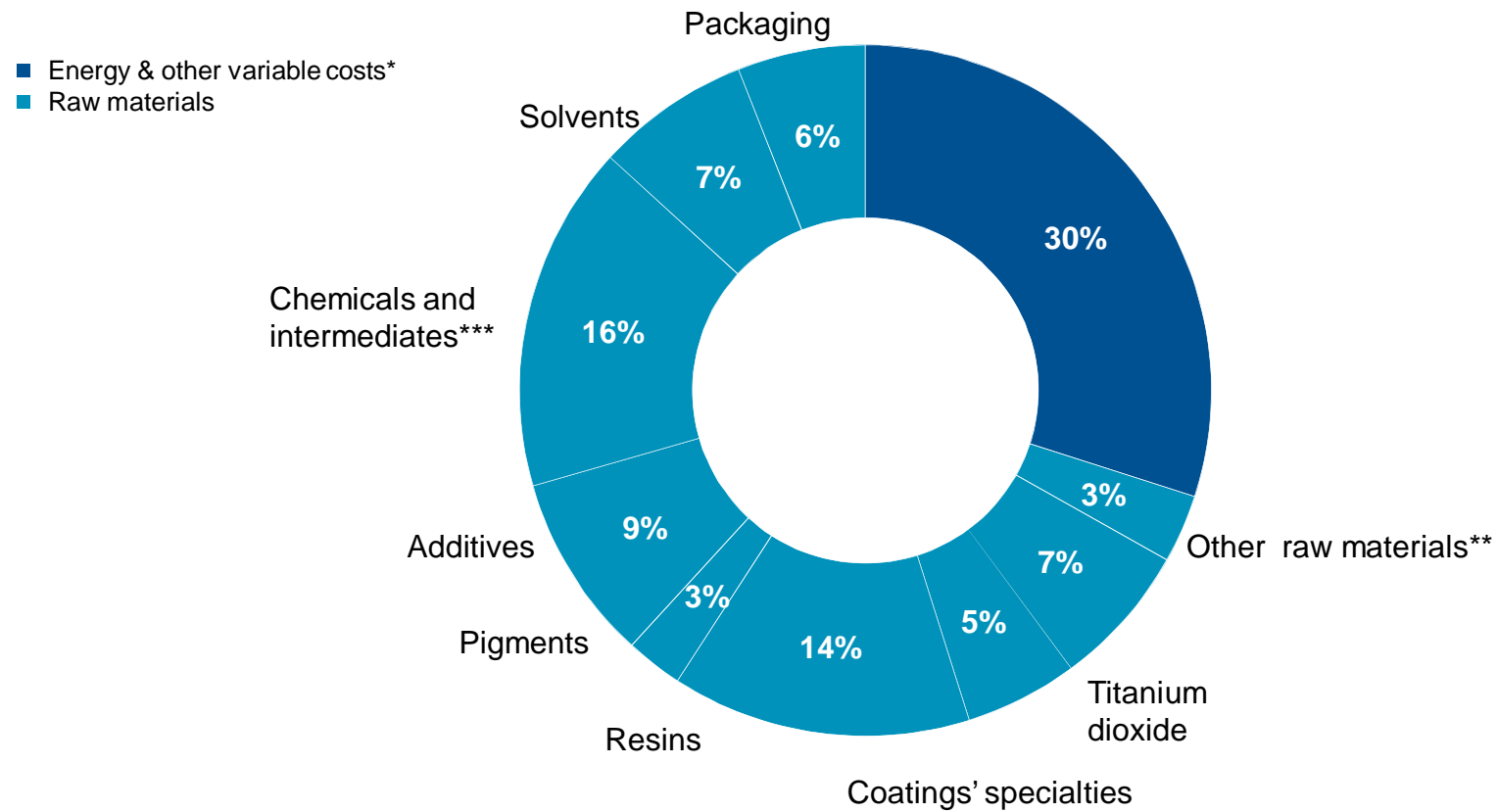


- Decorative Paints is more driven by personnel costs in the distribution network, while Specialty Chemicals has more production costs
- Operating expense growth is primarily due to wage inflation
- The performance improvement program benefits are equally split between fixed and variable costs

* Rounded percentages

Variable costs analysis

2012 (excluding Decorative North America)

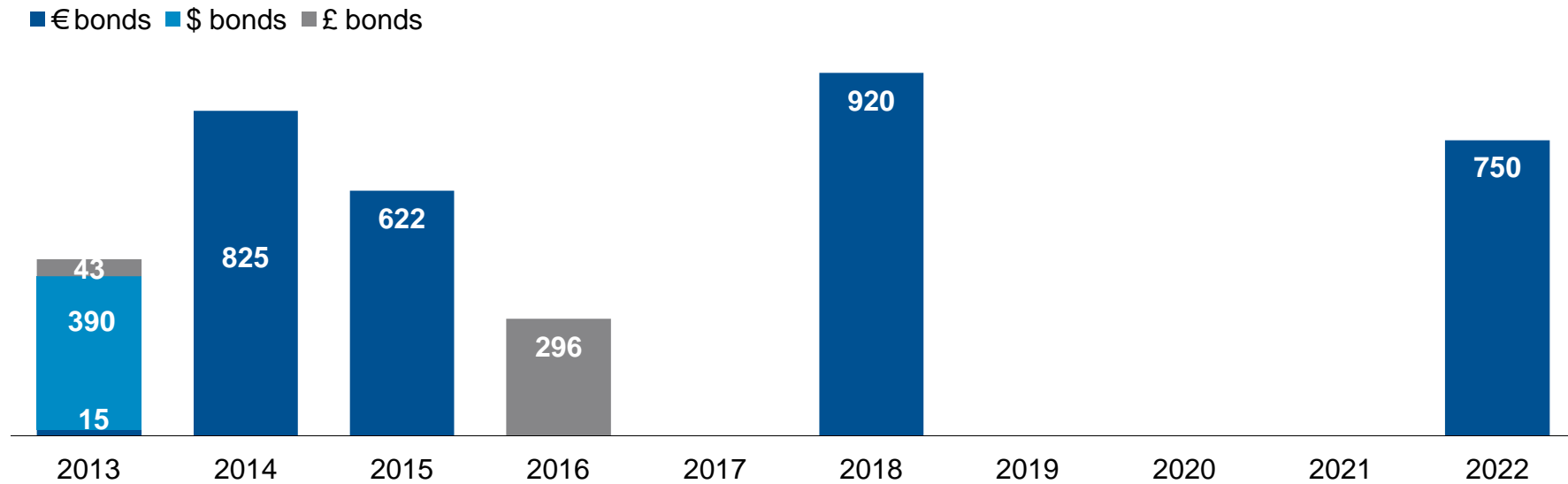


* Other variable costs include variable selling costs (e.g. freight) and products for resale ** Other raw materials include cardolite, hylar etc.
 *** Chemicals and intermediates include caustic soda, acetic acid, tallow, ethylene, ethylene oxide, sulfur, amines etc.

Debt duration 4.0 years and no refinancing currently required

Debt maturities*

€ million (nominal amounts)



Strong liquidity position to support growth

- Undrawn revolving credit facility of €1.7 billion (2017) and €0.1 billion (2016)
- €1.5 and \$3 billion commercial paper programs, backed by the revolving credit facility
- Net cash and cash equivalents €1.1 billion*

* At the end of Q1 2013

Pension cash flow guidance

Defined benefit pension cash top-ups

€ million

2011 actual	353
2012 actual*	355
2013 estimated	~300
2014 -17 estimated	~330/year
2018 estimated	~100

Regular contributions

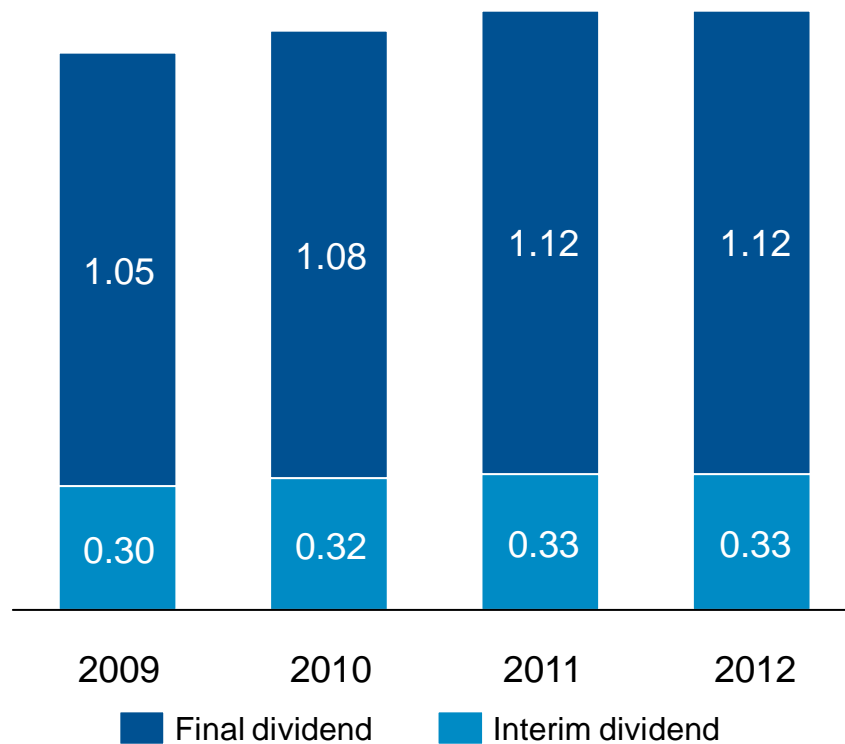
€ million 2013 estimated

Defined benefit	110
Defined contribution	180

- Top-ups relate mainly to the UK
- Top-ups are based on prudent actuarial valuation of liabilities, which differs from accounting liability
- Actuarial pension deficit of the 2 main UK plans is estimated at €1.5 – 2 billion
- Recent actuarial funding reviews on ICI and CPS pension funds in the UK have resulted in reduced top-ups by €485 million over the next six years
- The next triennial reviews will be completed in 2015

* Excludes one-off cash transfer of €239 million to ICI Pension Fund in the UK being termination of a contingent asset structure.

Dividends



- Our dividend policy is to pay a stable to rising dividend each year
- An interim and final dividend will be paid in cash unless shareholders elect to receive a stock dividend

Short term incentives have been aligned with our priorities

Executive short term bonus 2013

Bonus Element	Metric
20%	Return on investment
20%	Operating income
30%	Operating cash flow
30%	Personal targets – related to performance improvement plan

- Financial targets are set based on
 - Return on investment
 - Operating income
 - Operating cash flow
- More than 600 executives are affected by this change
- Alignment of priorities