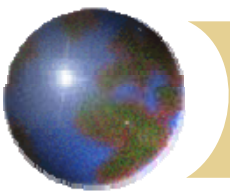


Annual Investor Day

December 5, 2006

Louis Bienfait

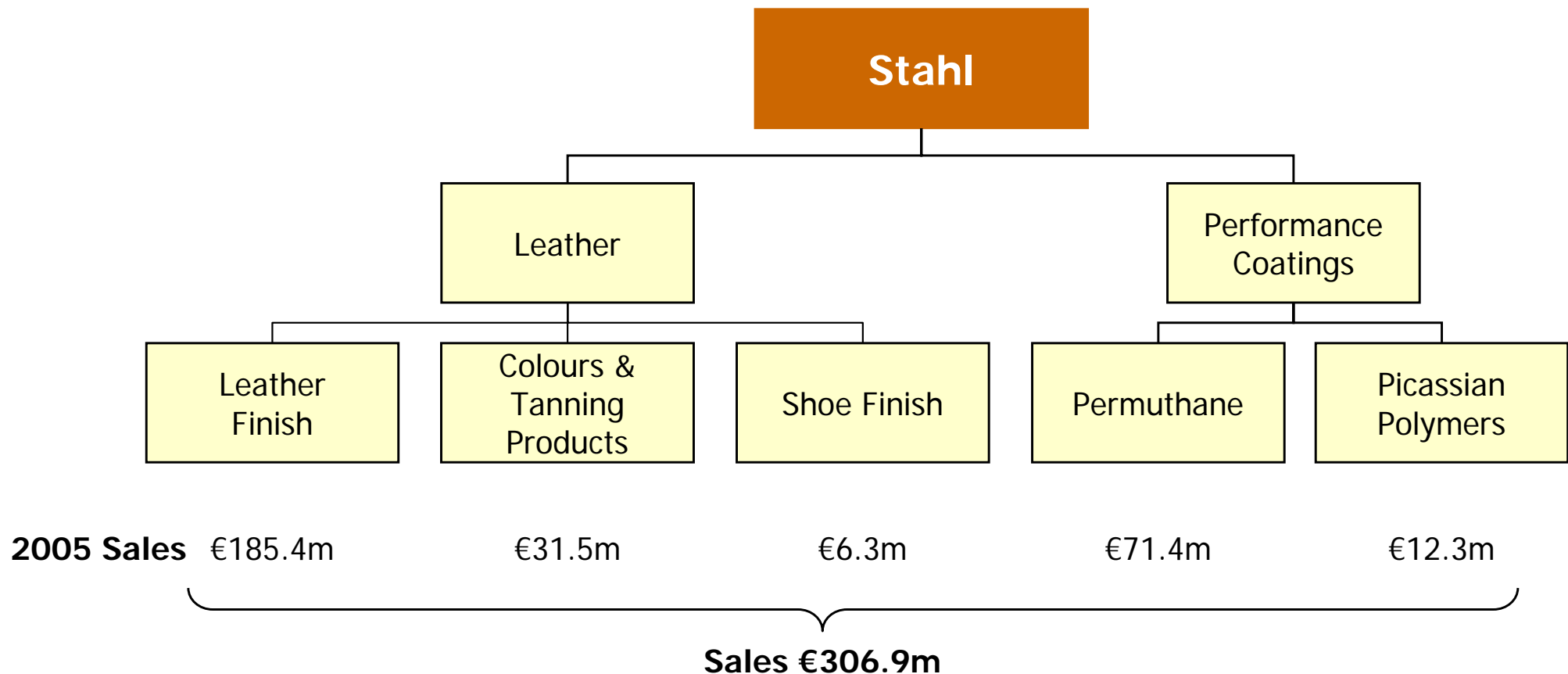
Chief Financial Officer

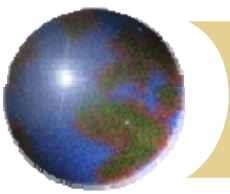


Stahl Overview



- Stahl is a surface effects specialist, a leading global supplier of high value-added formulated products and services for leather and high performance coatings





Broad Applications



Leather Finish



Customers:

- Limited number of global automotive tanneries
- Thousands of local or regional tanneries
- Distributors/Agents (mainly Asia)

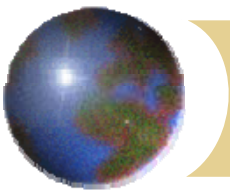
Permuthane



Customers:

Coaters supplying the following end use applications:

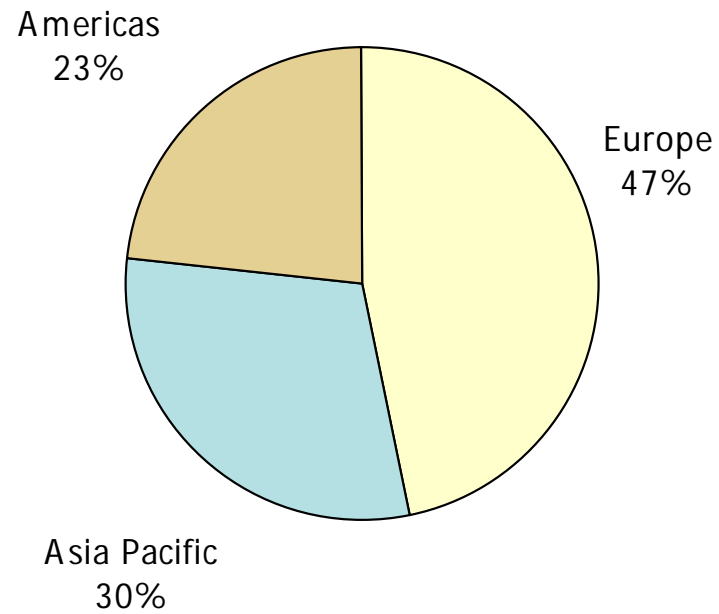
Automotive interior, Synthetic leather (garment, footwear, etc), Textile, Flooring, Technical



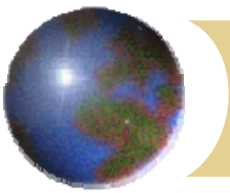
Balanced Global Presence



2005 Sales by Region



2005 Sales: €306.9m

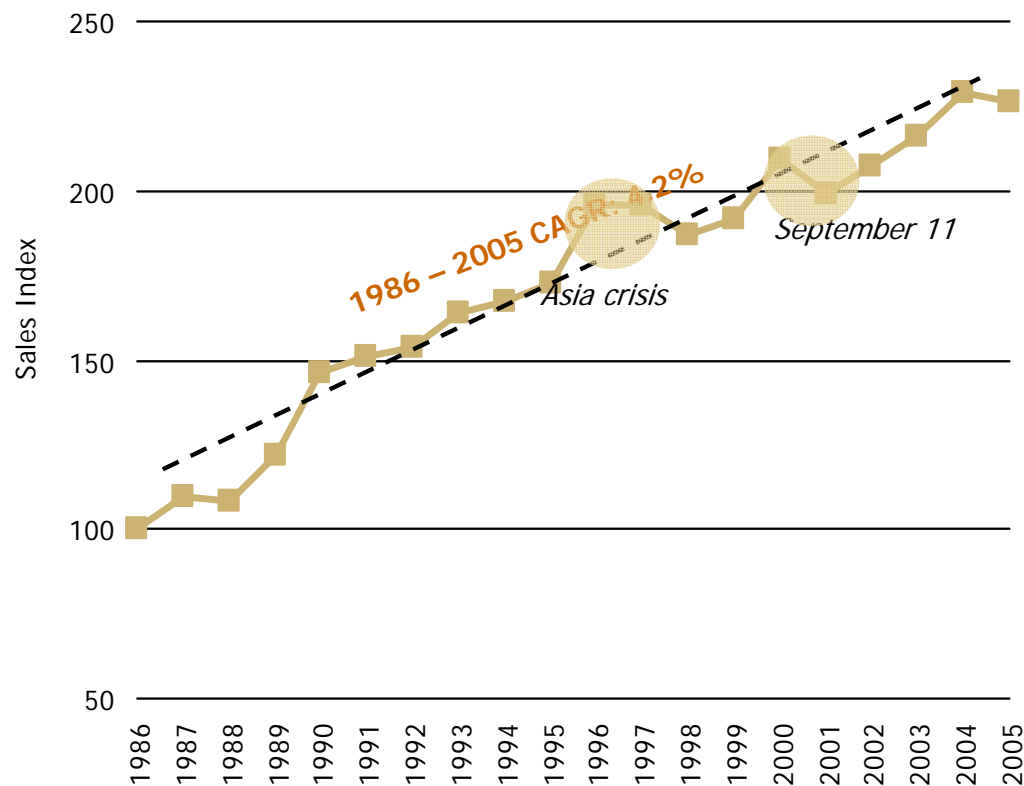


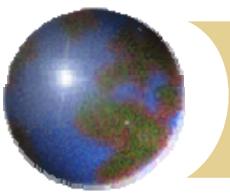
Long Term Growth and Stable Margins



- Over the past 20 years, Stahl has demonstrated sales growth of 4-5% p.a. and stable gross margins
- Limited cycles due to fashion trends

Stahl Sales Index 1986 – 2005





Significant Growth Opportunities



- Following the recent streamlining of its operations, Stahl is well positioned to take advantage of growth opportunities

Permuthane

- Increased management focus
- Dynamic underlying markets
- New services and technologies
- Expiry of non-compete agreements in 2005

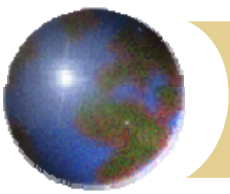
China

- New plant in China
- Expanded organization



Acquisitions

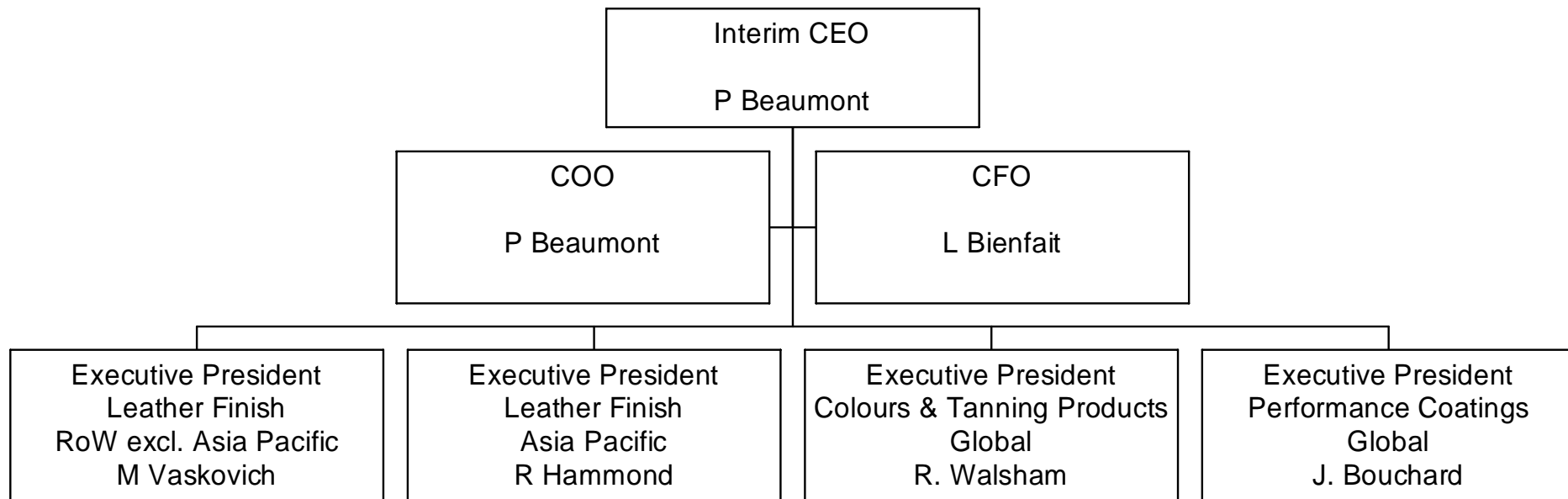
- Track record of acquisitions
- Strong platform for sector consolidation
- Performance coatings market is highly diversified and fragmented

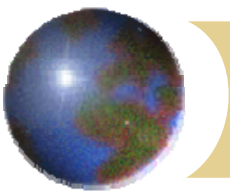


Stahl is organized around 4 Divisions



- Average of 25 years of industry experience across top management





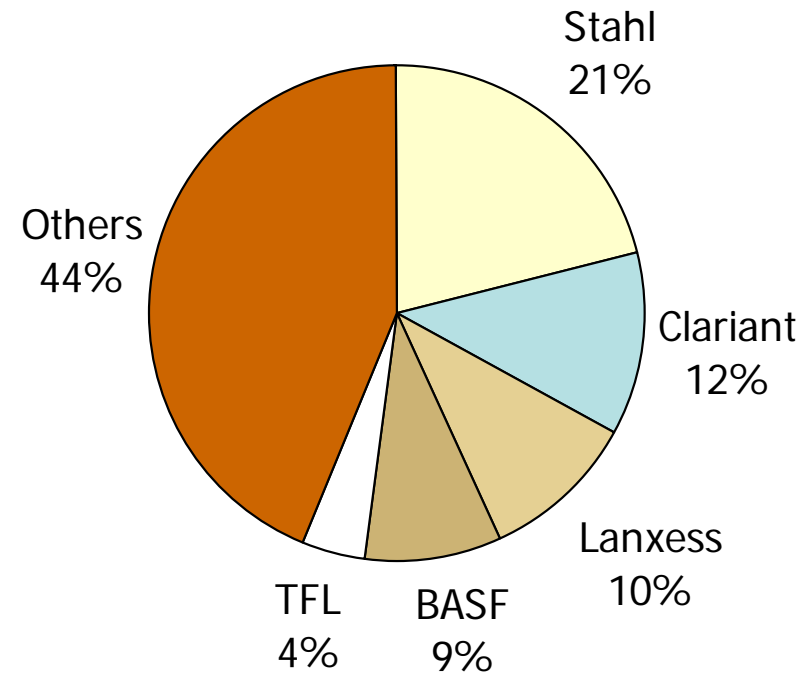
Undisputed Leader in Leather Finish



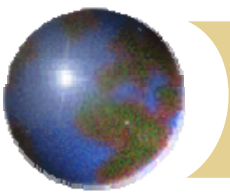
- World leader with outstanding brand name and reputation

Leather Finish Global Market Shares

- Strong competitive advantages
 - Formulation skills of more than 200 technicians ("Golden Hands") and technical service through 35+ service centres command sustainable premium prices vs. competition
 - Fast response time through local infrastructure and decentralised organisation
 - Lower cost base
 - Strategically well positioned to take advantage of changing market dynamics
 - Growth opportunities in China and Latin America
 - Continued presence in Europe to remain close to luxury goods end-customers



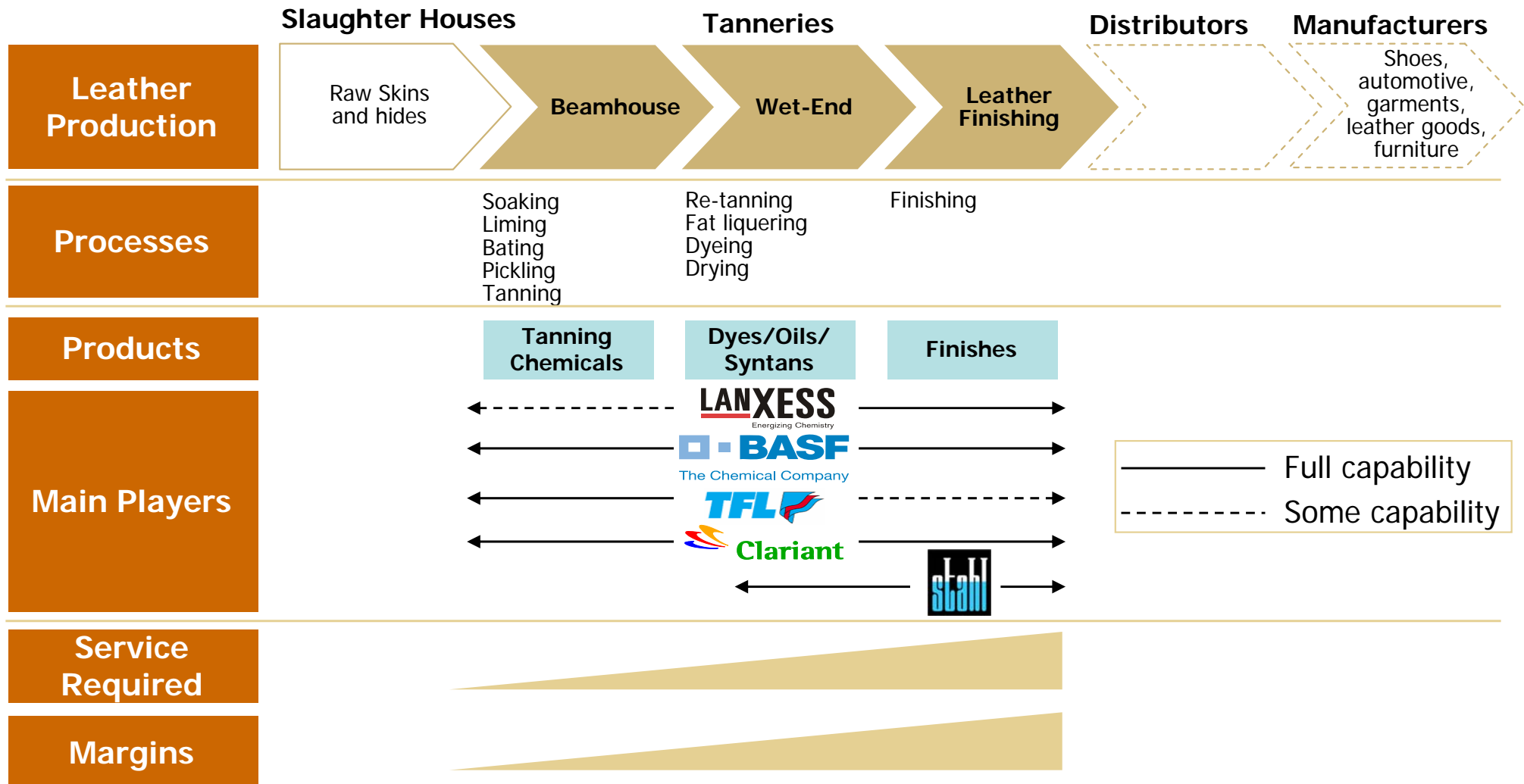
Total 2005: \$1.2bn

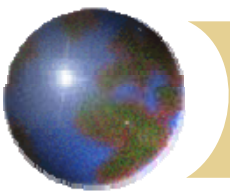


High Value Add Products



- Leather finishing is the highest value added segment within the leather processing value chain – it is process critical but not cost critical



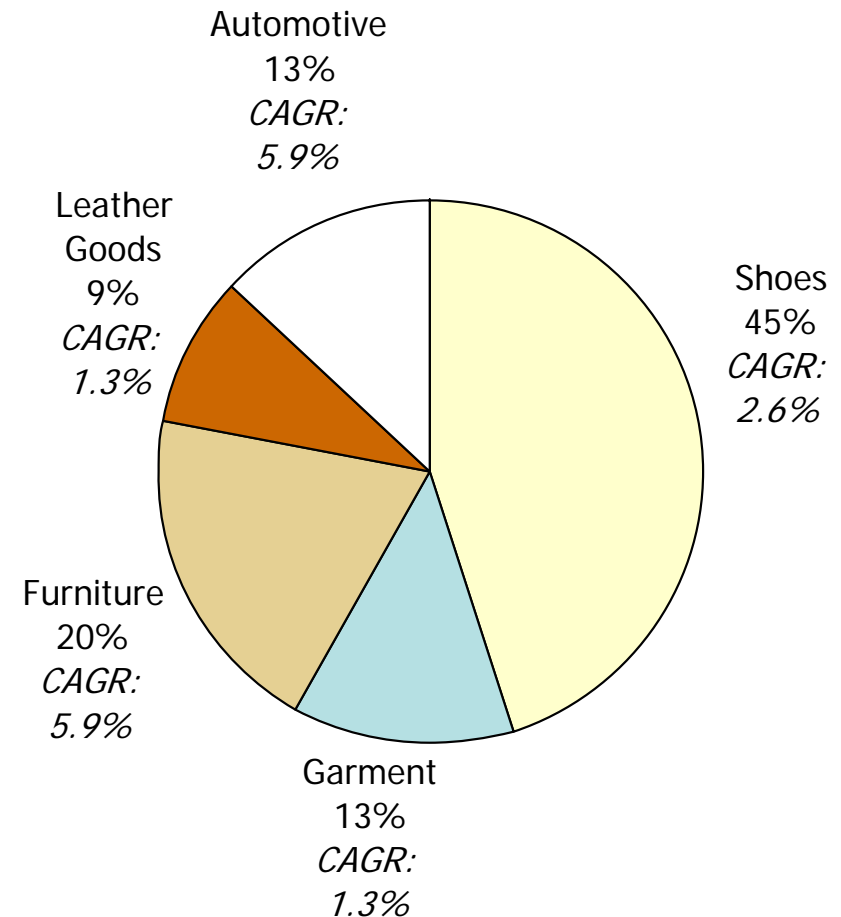


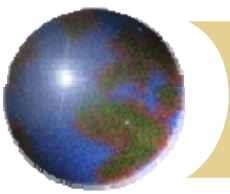
Solid End-Market Growth



Leather Chemicals Breakdown (2005) and Growth ('05-'10 CAGR) by End-Market

- ✚ End-market growth with limited cycles generated by fashion trends
- ✚ Leather chemicals market growth: c. 3%
- ✚ Leather finishing market growth: c. 4%
- ✚ Automotive and furniture are the highest growth end-markets
 - Stahl has a 35% market share in automotive upholstery
- ✚ Asia is the highest growth region (6.3%)
 - Significant presence in Asia
 - New plant in China

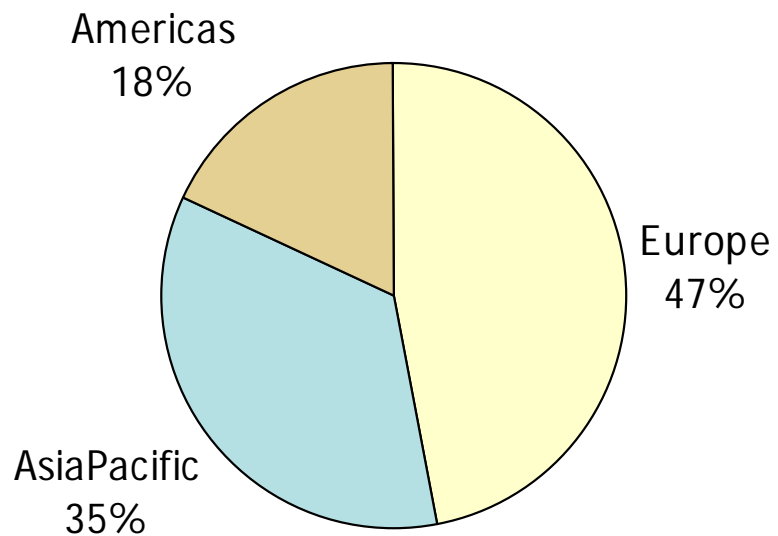




Global Presence in Leather Finish

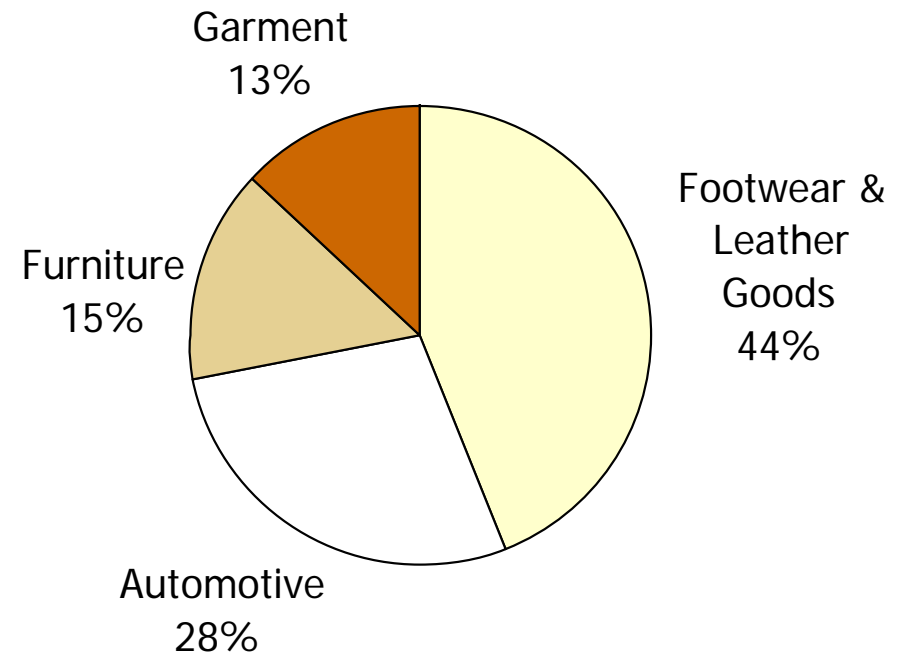


**Leather Finish
Sales 2005 by Region**

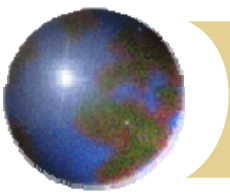


2005 Sales: €185m

**Leather Finish
Sales 2005 by End-Market**



2005 Sales: €185m



Positive Industry Trends

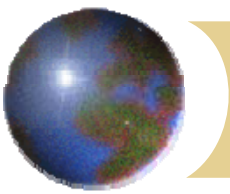


End-Market Developments

- Global shoe production expected to rise by approximately 2% annually, with stronger growth expected for leather footwear
- Continued strong demand for luxury leather goods globally
- Global car leather production expected to rise driven by increased penetration in midsize cars, especially in Europe
- Declining hide quality driving increased need for leather finishing

Regional Developments

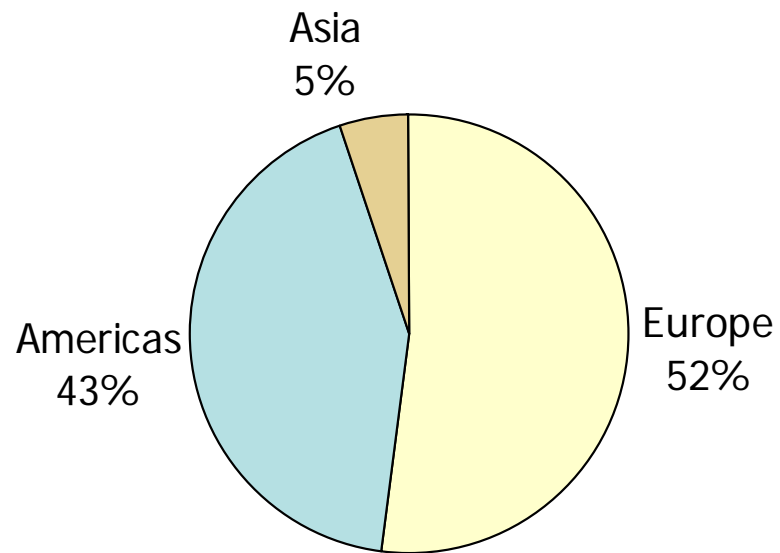
- Increasing demand for leather in emerging markets (furniture, car seats, shoes, etc.) driven by increasing disposable income
- Migration of leather production to low cost locations in Asia, Central Europe and Latin America largely completed



Five End-Markets in Permuthane

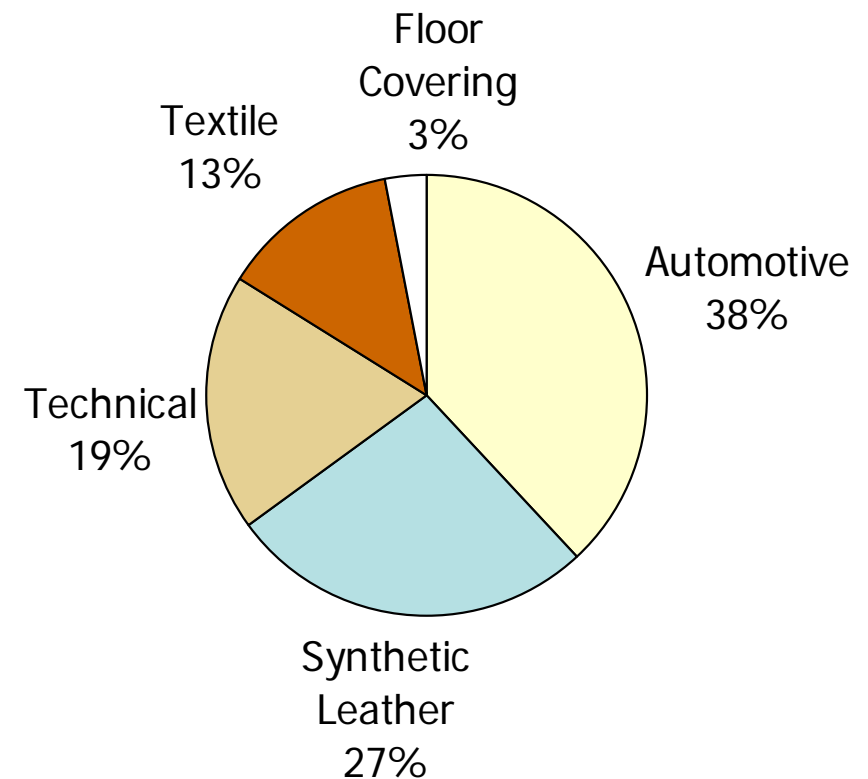


**Permuthane
Sales 2005 by Region**

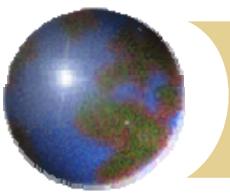


2005 Sales: €71m

**Permuthane
Sales 2005 by End-Market**



2005 Sales: €71m



Accelerated Growth Strategy



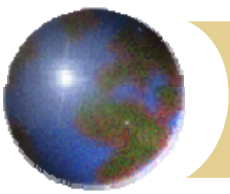
- Permuthane strategy has shifted from historically opportunistic, local approach to strategic global management

Global Strategic Targets

- Further strengthening of the position in the automotive sector (especially in Asia)
- Non-compete expired in January 2005 allows access to rigid substrates coatings market
- Increasing demand for waterborne ecologically acceptable systems
- Colour coatings for auto interiors
- Expertise in PU dispersions and In Mould Coatings (IMC)

Implementation

- Strengthened global and regional management
- Accelerated roll-out of selected areas of strength in Europe / US to Asia and South America



Attractive Portfolio of Related Businesses



C&TP

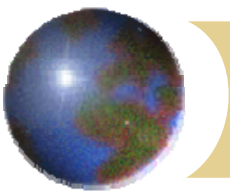
- 2005 sales of €31.5m
- Products include quality dyestuffs, syntans, oils and auxiliaries used in tanning and dying of leather
- Syntans / oils segment offers attractive growth niches

Shoe Finish

- 2005 sales of €6.3m
- Natural progression from Leather Finish business
- Offers high growth opportunities – e.g. through major market penetration in China with local production of new product range

Picassian Polymers

- 2005 sales of €12.3m
- Products include formulated and non-formulated polymers
- Exploitation of available in-house polymer technology
- Growth opportunity following expiry of a non-compete agreement

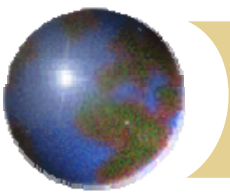


Recent End-Markets Dynamics



	Issues	Stahl Actions	Tangible results
Auto-motive	<ul style="list-style-type: none"> Weak demand with Big 3 US OEMs 	<ul style="list-style-type: none"> Focus on new products and new applications Established laboratory in Japan to address Japanese transplants world-wide 	<ul style="list-style-type: none"> New positions in-mould coatings and new high solid applications Growing sales to Japanese transplants
Furniture	<ul style="list-style-type: none"> Fashion driven weak demand after strong H1 2006, in wake of high hide prices 	<ul style="list-style-type: none"> Re-direction into new segments according to plan 	<ul style="list-style-type: none"> Reduced dependency of furniture industry swings
Shoe & Garment	<ul style="list-style-type: none"> Unfavourable fashion cycle for leather finishing (suede, nubuk, etc.) 	<ul style="list-style-type: none"> Global S&LG team emphasizing fashion incl. fashion ambassador Increased focus on shoe and leather goods in China as % market share well below normal Stahl share 	<ul style="list-style-type: none"> Fashion image re-established leading to strong absolute growth of S&LG sales New China plant to address domestic demand in China; invoicing from January 2007 30 new technicians in China

- Despite recent volatility in selected end-markets, Stahl is generating strong cash-flows based on strict cost and working capital management



Conclusions



Market Leader

- World market leader in leather finishing with 21% market share
- Market leadership for the past 20 years

Favourable Long-Term Trends

- Increasing demand for finishing chemicals; limited cycles due to fashion trends
- Leather industry is stable

Broad Diversification

- Broad diversification both geographically and in terms of end-markets – no customer concentration

High Barriers to Entry

- Technical know-how and service capability are key
- Global network of qualified technicians (“Golden Hands”)
- Customised product portfolio: high switching costs
- Excellent brand recognition and longstanding customer relationships