MOMENTIVE™

Momentive Specialty Chemicals Inc.

Second Quarter 2013
Earnings Conference Call

August 13, 2013

Forward-Looking Statements

Momentive Specialty Chemicals Inc. (MSC)

Certain statements in this presentation are forward-looking statements within the meaning of and made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In addition, our management may from time to time make oral forward-looking statements. All statements, other than statements of historical facts, are forward-looking statements. Forward-looking statements may be identified by the words “believe,” “expect,” “anticipate,” “project,” “plan,” “estimate,” “may,” “will,” “could,” “should,” “seek” or “intend” and similar expressions. Forward-looking statements reflect our current expectations and assumptions regarding our business, the economy and other future events and conditions and are based on currently available financial, economic and competitive data and our current business plans. Actual results could vary materially depending on risks and uncertainties that may affect our operations, markets, services, prices and other factors as discussed in the Risk Factors section of our most recent Annual Report on Form 10-K and our other filings with the Securities and Exchange Commission (the “SEC”). While we believe our assumptions are reasonable, we caution you against relying on any forward-looking statements as it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, a weakening of global economic and financial conditions, interruptions in the supply of or increased cost of raw materials, changes in governmental regulations and related compliance and litigation costs, difficulties with the realization of cost savings in connection with our strategic initiatives, including transactions with our affiliate, Momentive Performance Materials Inc., pricing actions by our competitors that could affect our operating margins, the impact of our substantial indebtedness, our failure to comply with financial covenants under our credit facilities or other debt, and the other factors listed in the Risk Factors section of our most recent Annual Report on Form 10-K and in our other SEC filings. For a more detailed discussion of these and other risk factors, see the Risk Factors section in our most recent Annual Report on Form 10-K and our other filings made with the SEC. All forward-looking statements are expressly qualified in their entirety by this cautionary notice. The forward-looking statements made by us speak only as of the date on which they are made. Factors or events that could cause our actual results to differ may emerge from time to time. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

This presentation contains non-GAAP financial information. Reconciliation to GAAP is included at the end of the presentation.

Momentive Specialty Chemicals Inc. (MSC)

Overview of Second Quarter 2013 Results

Craig O. Morrison
Chairman, President & Chief Executive Officer

Second Quarter 2013 Results

- Revenues of $1.3 billion in 2Q'13, flat compared to the prior year quarter
  - Slightly higher volumes
  - Reflects continued headwinds in Europe as well as slower growth in Asia Pacific region
- Segment EBITDA[1] of $118 million compared to $145 million in prior year quarter
  - North American housing and past restructuring initiatives, particularly in Europe, drove record quarterly Segment EBITDA in our Forest Products business
  - Epoxy product lines and Versatic Acids™ and Derivatives account for majority of YOY decrease in EBITDA
- Operating income of $49 million in 2Q'13 compared to $92 million in 2Q'12
  - Despite higher volumes, decline reflected margin compression and idling expense related to planned plant maintenance, which resulted in overhead costs being expensed during the idling period
- Continued focus on cost actions: in the first half of 2013, MSC realized approximately $5 million in cost savings as a result of the Shared Services Agreement, bringing its total cumulative savings to $59 million
- Focused on achieving $11 million of in-process cost savings that we expect to achieve over the next 12 to 15 months as of June 30, 2013

MSC CONTINUES TO LEVERAGE ITS DIVERSIFIED PORTFOLIO AND RECENT EXPANSIONS IN HIGH GROWTH MARKETS

(1) Segment EBITDA is a non-GAAP financial measure. The closest GAAP financial measure is Net Income (Loss). A table that reconciles Segment EBITDA is at the end of this presentation. Segment EBITDA is defined as EBITDA (earnings before interest, income taxes, depreciation and amortization) adjusted for certain non-cash and other income and expenses. Segment EBITDA is the primary performance measure used by the Company's senior management, the chief operating decision-maker and the board of directors to evaluate operating results and allocate capital resources among segments.

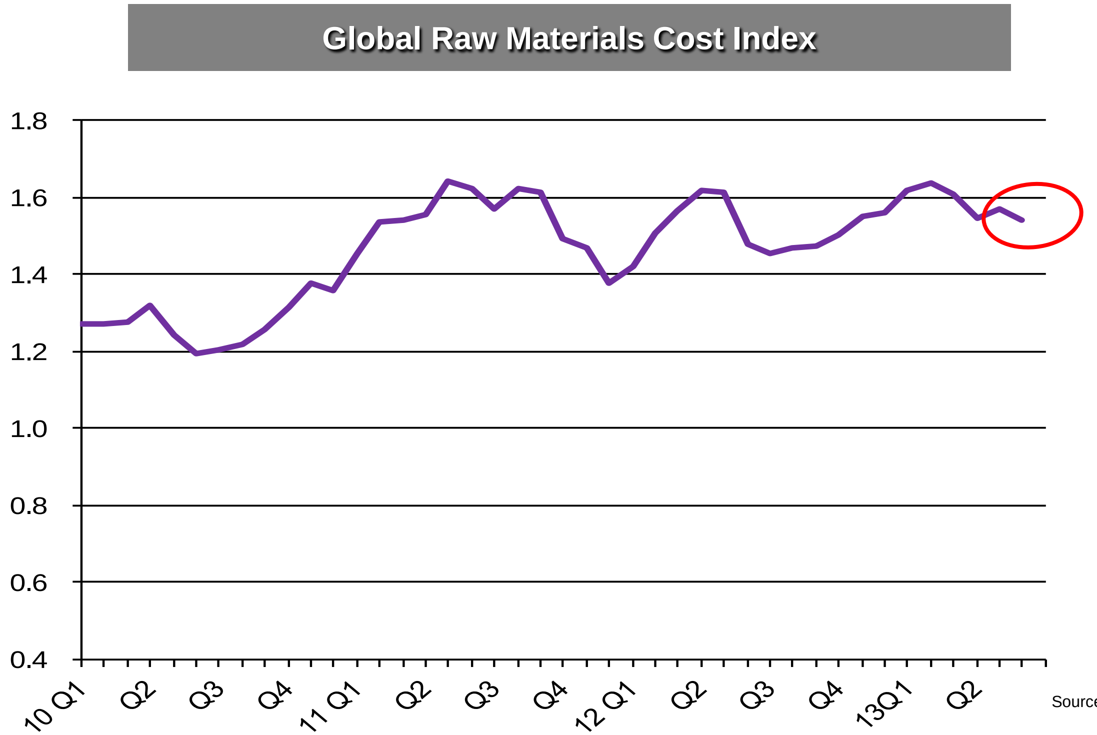
Second Quarter 2013
Summary Financial Performance

($ in millions)	Quarter Ended June 30 2012	Quarter Ended June 30 2013	Δ
Revenue	**$1,259**	**$1,250**	**(1)%**
Segment EBITDA [(1)]	**145**	**118**	**(19)%**
Operating Income	**92**	**49**	**(47)%**
Net (loss) income	**28**	**(28)**	**nm**

OPERATING INCOME REFLECTS PRICING PRESSURES AND PLANNED MAINTENANCE COSTS PARTIALLY OFFSET BY LOWER BUSINESS REALIGNMENT COSTS AND SAVINGS FROM SHARED SERVICES AGREEMENT WITH MPM

(1) Segment EBITDA excludes in-process synergies. Segment EBITDA is defined as EBITDA adjusted to exclude certain non-cash and non-recurring expenses. Segment EBITDA is an important measure used by the Company's senior management and board of directors to evaluate operating results and allocate capital resources among segments. Segment EBITDA is also the profitability measure used to set management and executive incentive compensation goals. Corporate and Other primarily represents certain corporate, general and administrative expenses that are not allocated to the segments. Segment EBITDA is defined and reconciled to Net Income later in this presentation

Overview of Raw Materials Environment



Source: CMAI , ICIS, Acquisition prices

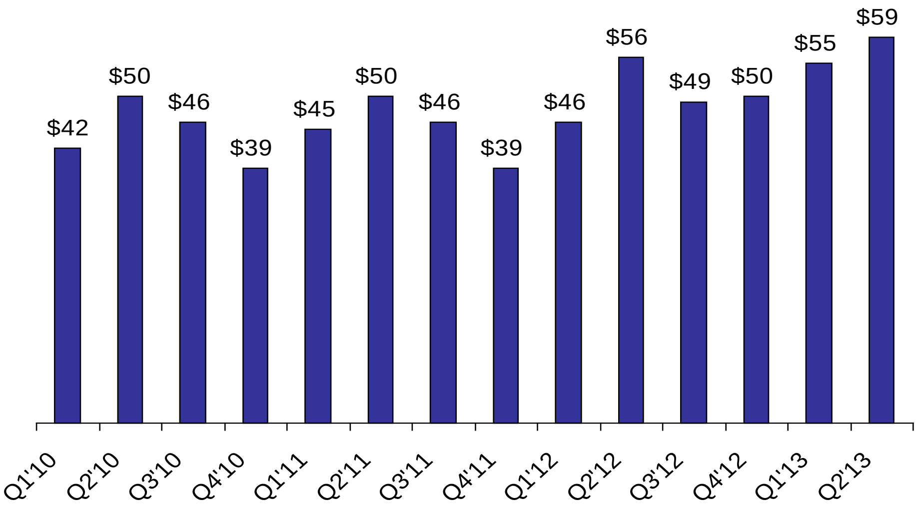
Summary

- Q2’13 raw material pricing generally softer to flat from Q1’13
- 1H’13 raw material costs remain volatile compared to 1H’12:
  - Phenol ↑ 9%; Methanol ↑ 14% ; Urea ↓ 25%
- Anticipate continued raw material volatility in 2H’13 as global markets remain mixed

Record Forest Product Resins Quarterly Results

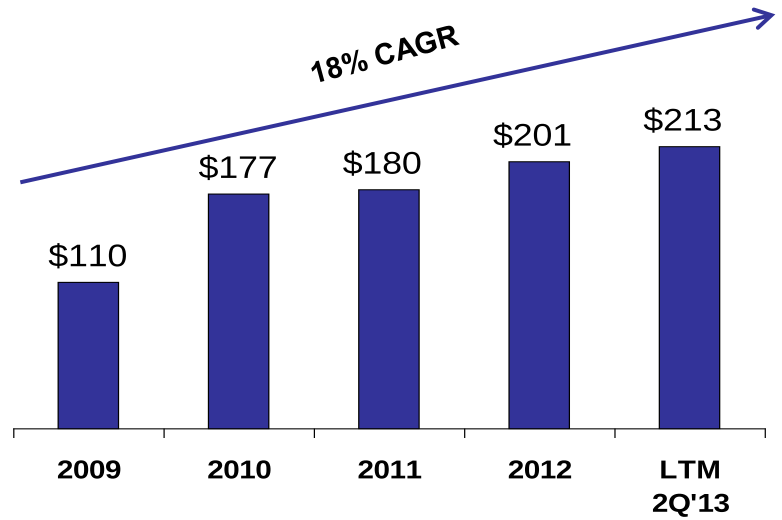
Quarterly Segment EBITDA

($ in millions)



LTM Segment EBITDA

($ in millions)

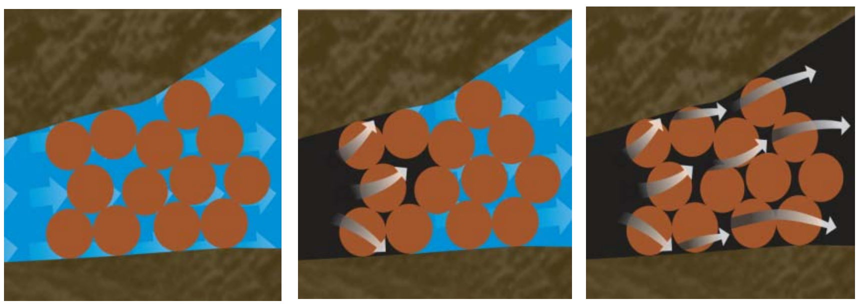


<u>Summary</u>

- Record quarterly results driven by past European restructuring initiatives and improving North American housing demand
- Record results despite single family housing starts remaining well-below long-term average of ~ 1.5mm starts annually
- MSC anticipates it will continue to benefit from operating leverage as housing market continues to recover

OilPlus™ Proppants Support Long-term Growth Fundamentals

OilPlus™ Proppants Technology



OilPlus™ has optimized wetability in water and oil

Water does not bond to surface of OilPlus™ allowing clean pathways for increased oil flow

Oil does not bond to surface of OilPlus™ allowing high flow rate of oil through the pack

Summary

- OilPlus™, a new curable resin technology provides:
  - Optimized well production for oil and liquid-rich reservoirs
  - Patent-pending technology increases relative permeability to oil in the “proppant pack”
  - Major growth synergy with MPM
- Oilfield proppants business remains well positioned for recovery going forward
  - Continue to target oil producers as additional growth market
  - Natural gas rig counts remain at historic lows and proppants business is expected to grow as market conditions normalize long-term
  - New product development and reformulations delivering leading edge technology
  - Cross-selling opportunities with silicones fluids
  - Opportunity for international market expansion

Momentive Specialty Chemicals Inc.

Financial Review

William H. Carter
Executive Vice President & Chief Financial Officer

Epoxy, Phenolic and Coating Resins Second Quarter 2013 Segment Results

($ in millions)	Quarter Ended June 30		
	2012	2013	Δ
Revenue	$ 796	$ 799	-- %
Segment EBITDA	101	73	(28)%

2Q'13 Sales Comparison YoY				
Volume	Price/Mix	Currency Translation	Scope Changes	Total
5%	(5)%	—	—	—

Summary

- Sales continue to reflect softer demand within our epoxy businesses
- Segment EBITDA reflected pricing headwinds, margin compression and costs associated with plant turn-arounds
  - Segment EBITDA gains in Oiflield products and phenolic specialty resins
  - Oilfield EBITDA remains well below historical highs, but showing initial signs of recovery
- In April, successful startup of a new plant in Chonburi, Thailand, which significantly increases its capacity to produce acrylic-based resins and service customers in Southeast Asia
- Construction remains on track for a phenolic specialty resins JV in China to be operational by the end of 2013

Forest Products Resins
Second Quarter 2013 Segment Results

MOMENTIVE™

	Quarter Ended June 30		
($ in millions)	**2012**	**2013**	**Δ**
Revenue	$ 463	$ 451	(3)%
Segment EBITDA	56	59	5%

2Q'13 Sales Comparison YoY

Volume	Price/Mix	Currency Translation	Scope Changes	Total
1%	3%	(1)%	(6)%	(3)%

Summary

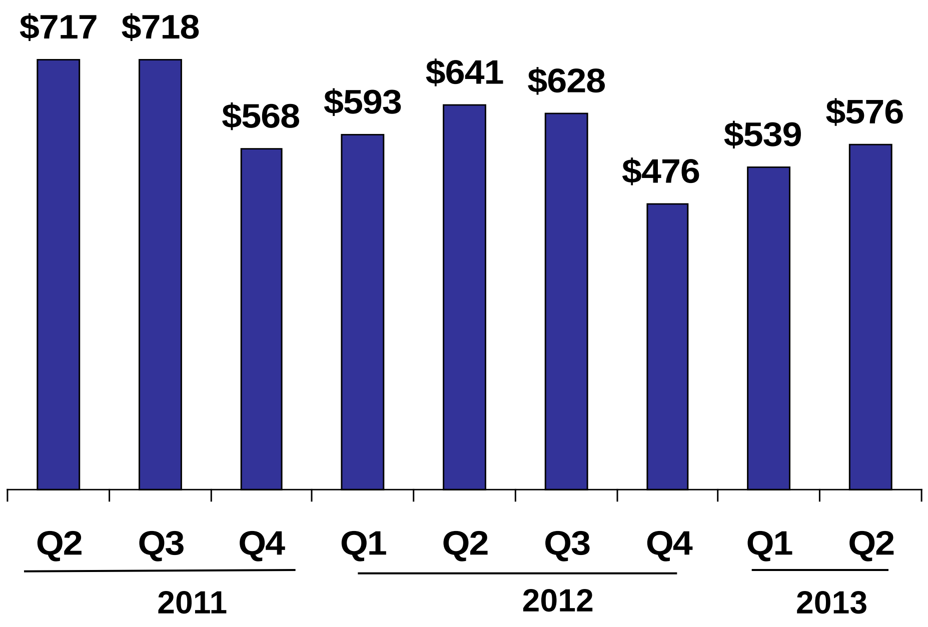
- 2Q'13 sales reflects slight volume gains and positive pricing actions, partially offset by portfolio rationalizations in Europe and the Asia Pacific region
- Record quarterly EBITDA was $3 million higher than prior year period and $4 million higher sequentially
- Segment EBITDA gains driven by margin improvement, portfolio optimization and cost control initiatives
  - 120 bp margin improvement YoY

Balance Sheet Update & Financial Summary

Summary

- Substantial liquidity despite earnings decrease: cash plus borrowing availability of $768 million at June 30, 2013
- 2Q'13 capital expenditures of $33 million
  - Revised FY'13 capital expenditures: targeting ~ $150 million
- Low working capital intensity
  - The increase in net working capital of $100 million from December 31, 2012 was a result of the increase in sequential quarter volumes due to seasonality, which drove increases in accounts receivable and inventory, and was partially offset by increases in accounts payable
- Following a $1.1 billion refinancing in January 2013, the Company has:
  - No material debt maturities before 2018
  - No financial maintenance covenants currently in effect (1)

Net Working Capital (2)



NET DEBT: ~ $3.45 BILLION (6/30/13) (3)

(1) No financial maintenance covenants in MSC's capital structure except for ABL upon minimum availability trigger. Debt maturity reference includes only MSC OpCo debt and does not include debt from subsidiaries
(2) Net working capital defined as accounts receivable and inventories less accounts and drafts payable. Recasted for discontinued operations.
(3) See details of Momentive Specialty Chemical's total debt in the Appendix of this presentation.

Closing Remarks

Second Quarter 2013 Closing Remarks

- Revenues of $1.3 billion in 2Q’13, flat compared to the prior year quarter
  - Reflects continued headwinds in Europe as well as slower growth in Asia Pacific region
  - Record quarterly performance in Forest Product Resins
- Continue to realize targeted cost savings as anticipated
  - Realized $59 million in total cumulative savings from the shared services agreement as of June 30, 2013
- Focused on achieving $11 million of in-process cost savings that we expect to achieve over the next 12 to 15 months as of June 30, 2013
- Prudent balance sheet management with strong liquidity levels: $768 million
- Long-dated maturity profile: successfully refinanced portions of capital structure in January 2013 resulting in no material debt maturities until 2018
- Global economy continues to be unpredictable with significant areas of comparative weakness

MSC REMAINS WELL-POSITIONED FOR LONG-TERM GROWTH

Appendices

Reconciliation of Non-GAAP Financial Measures

(In millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Segment EBITDA:				
Epoxy, Phenolic and Coating Resins	$ 73	$ 101	$ 141	$ 215
Forest Products Resins	59	56	114	102
Corporate and Other	(14)	(12)	(32)	(26)
Reconciliation:				
Items not included in Segment EBITDA:				
Asset impairments	(7)	—	(7)	(23)
Business realignment costs	(2)	(3)	(11)	(18)
Integration costs	(2)	(1)	(5)	(6)
Other	(15)	(3)	(26)	(21)
Total adjustments	(26)	(7)	(49)	(68)
Interest expense, net	(76)	(67)	(150)	(132)
Loss on extinguishment of debt	—	—	(6)	—
Income tax (expense) benefit	(6)	(4)	26	(2)
Depreciation and amortization	(38)	(39)	(76)	(77)
Net (loss) income	$ (28)	$ 28	$ (32)	$ 12

Fixed Charge Covenant Calculations

(In millions)	June 30, 2013 LTM Period
Net income	$ 280
Income tax benefit	(393)
Interest expense, net	281
Loss on extinguishment of debt	6
Depreciation and amortization	152
EBITDA	326
Adjustments to EBITDA:	
Asset impairments	7
Business realignments (1)	28
Integration costs (2)	10
Other (3)	66
Cost reduction programs savings (4)	5
Savings from Shared Services Agreement(5)	6
Adjusted EBITDA	$ 448
Pro forma fixed charges (6)	$ 296
Ratio of Adjusted EBITDA to Fixed Charges (7)	1.51

(1) This presentation contains non-GAAP financial information. Adjusted EBITDA is a non-GAAP financial measure as defined by SEC rules. Adjusted EBITDA is not intended to represent any measure of earnings or cash flow in accordance with US GAAP and the calculation and use of this measure may differ from other companies. Adjusted EBITDA should not be used in isolation or as a substitute for measures of performance or liquidity. Adjusted EBITDA should not be considered an alternative to operating income or net income (loss) under US GAAP to evaluate results of operations or as an alternative to cash flows as a measure of liquidity.

(2) Momentive Performance Materials Holdings LLC ("Holdco") is the ultimate parent company of MPM and MSC (collectively, the "new Momentive"). **The MSC debt is not issued or guaranteed by HoldCo, Momentive Performance Materials Holdings Inc. ("MPM Holdings"), MPM or any of MPM's subsidiaries, and is also not secured by any assets of such entities. None of HoldCo, MPM Holdings, MPM, or any of MPM's subsidiaries is obligated with respect to any of MSC's indebtedness or other liabilities. The MPM debt is not issued or guaranteed by HoldCo, Momentive Specialty Holdings Inc. ("MSC Holdings"), MSC or any of MSC's subsidiaries, and is also not secured by any assets of such entities. None of HoldCo, MSC Holdings, MSC, or any of MSC's subsidiaries is obligated with respect to any of MPM's indebtedness or other liabilities.**

Fixed Charge Covenant Calculations Footnotes

(1) Represents headcount reduction expenses and plant rationalization costs related to cost reduction programs and other costs associated with business realignments.
(2) Primarily represents integration costs associated with the Momentive Combination.
(3) Primarily includes pension expense related to formerly owned businesses, business optimization expenses, management fees, retention program costs, stock-based compensation, accelerated depreciation on closing facilities and realized and unrealized foreign exchange and derivative activity.
(4) Represents pro forma impact of in-process cost reduction programs savings.
(5) Primarily represents pro forma impact of expected savings from the Shared Services Agreement with MPM in conjunction with the Momentive Combination.
(6) Reflects pro forma interest expense based on interest rates at June 30, 2013, as if the 2013 Refinancing Transactions had taken place at the beginning of the period.
(7) The Company's ability to incur additional indebtedness, among other actions, is restricted under the indentures governing certain notes, unless the Company has an Adjusted EBITDA to Fixed Charges ratio of 2.0 to 1.0. As of June 30, 2013, we did not satisfy this test. As a result, we are subject to restrictions on our ability to incur additional indebtedness and to make investments; however, there are exceptions to these restrictions, including exceptions that permit indebtedness under our ABL Facility (available borrowings of which were $368 million at June 30, 2013).

Debt at June 30, 2013

($ in millions)

	June 30, 2013		December 31, 2012	
	Long-Term	Due Within One Year	Long-Term	Due Within One Year
Non-affiliated debt:				
Senior Secured Credit Facilities:				
Floating rate term loans due 2015	$ —	$ —	$ 895	$ 15
Senior Secured Notes:				
6.625% First-Priority Senior Secured Notes due 2020 (includes $8 of unamortized debt premium at June 30, 2013)	1,558	—	450	—
8.875% Senior Secured Notes due 2018 (includes $5 and $6 of unamortized debt discount at June 30, 2013 and December 31, 2012, respectively)	1,195	—	994	—
Floating rate Second-Priority Senior Secured Notes due 2014	—	—	120	—
9.00% Second-Priority Senior Secured Notes due 2020	574	—	574	—
Debentures:				
9.2% debentures due 2021	74	—	74	—
7.875% debentures due 2023	189	—	189	—
8.375% sinking fund debentures due 2016	40	20	60	2
Other Borrowings:				
Australia Facility due 2014	38	5	31	5
Brazilian bank loans	16	42	18	41
Capital Leases	9	1	10	1
Other	12	10	4	12
Total	$ 3,705	$ 78	$ 3,419	$ 76