Momentive Specialty Chemicals Inc.

Fourth Quarter & Fiscal Year 2012
Earnings Conference Call

April 1, 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 Fourth Quarter & Fiscal Year 2012 Results

Craig O. Morrison
Chairman, President & Chief Executive Officer

Fourth Quarter 2012 Results

- Revenues of $1.1 billion in 4Q'12 compared to $1.2 billion in the prior year quarter
  - Strong results in Forest Product Resins business offset by cyclicality in certain end use markets
- Segment EBITDA[1] of $84 million compared to $106 million in prior year quarter
  - Reflects product mix shift and continued economic volatility in Europe and Asia
  - Temporary production outage negatively impacted results by $8 million
  - Epoxy, Phenolic and Coating Resins decline partially offset by continued strong performance of global forest products business
- Operating income of $15 million in 4Q'12 compared to $19 million in 4Q'11
- Aggressive focus on cost and cash actions – realized $58 million in savings on a run-rate basis from the shared services agreement as of December 31, 2012
- MSC has identified an incremental $25 million in cost savings that we expect to achieve over the next 12 to 15 months
  - Continuing to pursue additional cost-saving opportunities to offset economic uncertainty

(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.

Fiscal Year 2012 Results: Prudent Capital Management While Investing in BRIC Assets and Specialty Portfolio

- Prudent balance sheet management:
  - Strong cash flow from operations: $177 million in 2012 compared to $171 in 2011
  - Net working capital of $476 million, or 10% of sales, in 2012 versus $568 million, or 11% of sales, in 2011
  - Successful refinancing during 2012 and 2013 has positioned the Company with no material debt maturities prior to 2018

- Growth projects remain on track
  - Recently announced a joint venture to construct a phenolic specialty resins manufacturing facility in China, which is expected to be operational by early to mid 2013
  - New acrylic resins plant in Thailand expected to begin operations in first half of 2013
  - New joint venture – Momentive Specialty Chemicals Australia Pty Ltd – was formed in January 2013 with the Laminex Group to serve forest products customers in Australia and New Zealand

- MSC continued to maintain substantial liquidity with cash and available borrowings of $666 million as of December 31, 2012

- MSC was in compliance with all financial covenants governing its senior secured credit facilities and indentures as of December 31, 2012

DRIVING STRATEGIC GROWTH INITIATIVES WHILE STEADILY ACHIEVING COST SAVINGS

Fourth Quarter 2012
Summary Financial Performance

($ in millions)	Quarter Ended December 31 2012	2011	Δ
Revenue	**$1,084**	**$1,153**	**(6)%**
Segment EBITDA [(1)]	**84**	**106**	**(21)%**
Operating Income	**15**	**19**	**(21)%**
Net Loss	**(52)**	**(47)**	**nm**

CONTINUING TO AGGRESSIVELY FOCUS ON COST AND CASH ACTIONS

(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

Fiscal Year 2012
Summary Financial Performance

MOMENTIVE

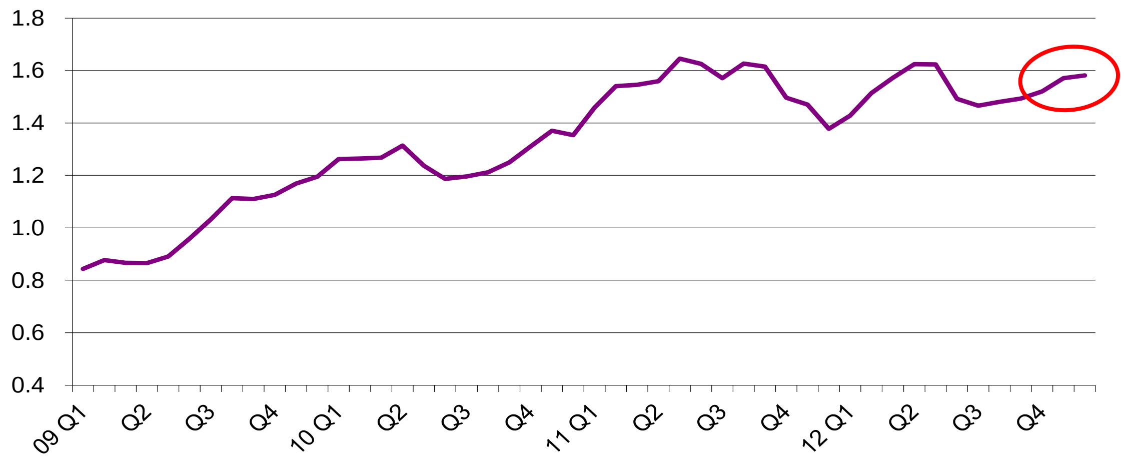
($ in millions)	Year Ended December 31		
	2012	2011	Δ
Revenue	$4,756	$5,207	(9)%
Segment EBITDA	490	635	(23)%
Operating Income	202	368	(45)%
Net Income	324	118	nm

FY'12 reflected $365 million tax benefit as a result of the release of a significant portion of the Company's valuation allowance in the United States.

WELL POSITIONED FOR EVENTUAL MARKET RECOVERY DUE TO SYNERGY SAVINGS AS WELL AS GEOGRAPHIC, CUSTOMER AND END MARKET DIVERSITY

Overview of Raw Materials Environment

Global Raw Materials Cost Index



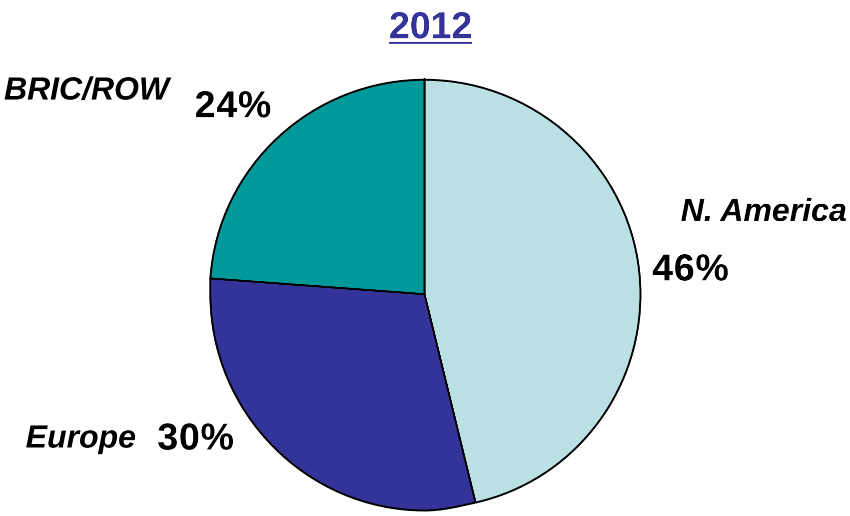
Source: CMAI data

Summary

- 4Q'12 raw material pricing generally higher than 3Q'12 due to tight feedstock supply
- In 2012, the average prices of phenol, methanol and urea increased by approximately 6%, 5% and 10%, respectively, as compared to 2011
- Anticipate continued raw material volatility in 2013 as global markets remain mixed

Strategic BRIC Presence

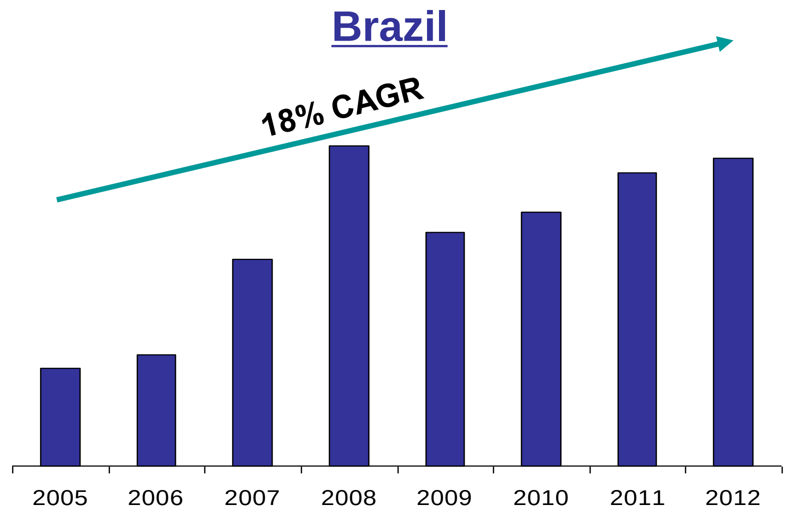
Net Revenue



Expanding our Presence in BRIC/ROW

- MSC continues to expand into the high growth regions
- "BRIC/ROW" sales percentage continues to steadily increase: 24% in 2012
- BRIC revenue growth: medium-term target of >40% of total revenue

Strategic Growth in BRIC Revenue



Leveraging our Strategic Growth Assets

- High-growth regions growing ~ 3x to 4x faster than mature markets
- Forest Products business continues to capitalize on growing Brazilian market
  - Long-time presence in L. America
  - Strategic Montenegro, Brazil, site expansion in 2010

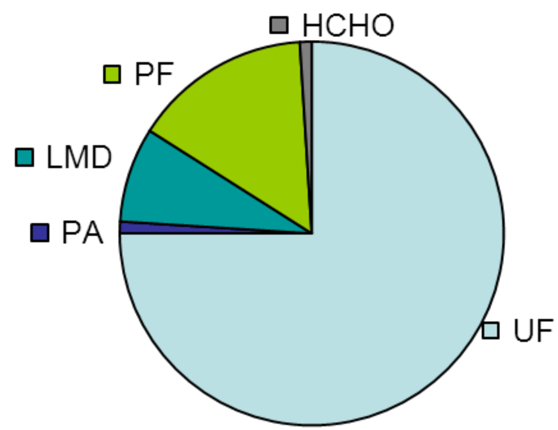
STEADY R&D AND INFRASTRUCTURE INVESTMENTS POSITION MSC FOR GROWTH

JV Strengthens Momentive's ANZ Forest Product Business

Geography

- New joint venture, announced in Jan. '13, known as Momentive Specialty Chemicals Australia Pty Ltd ("JV"), is owned 50 percent by Momentive Specialty Chemicals and 50 percent by Laminex
  - JV generated ~ $30 million in sales in 2011
- Joint venture further positions MSC to capitalize on a growing forest products market in the Asia Pacific region
- MSC's Australia/New Zealand business headquartered in Melbourne, Australia
  - 5 wholly-owned existing manufacturing locations

Segment/Product Line



Main Segments & Product Lines:

- Composite Wood Panels (UF) – MDF, Particleboard
- Structural Wood Products (PF) – Plywood, LVL
- Laminates & Overlays (LMD) – LPM, HPL
- Formaldehyde (HCHO)
- Performance Adhesives (PA)

Momentive Specialty Chemicals Inc.

Financial Review

William H. Carter
Executive Vice President & Chief Financial Officer

Epoxy, Phenolic and Coating Resins
Fourth Quarter 2012 Segment Results

($ in millions)	2012	2011	Δ
	Quarter Ended December 31		
Revenue	$ 681	$ 736	(7)%
Segment EBITDA	46	73	(37)%

4Q'12 Sales Comparison YoY

Volume	Price/Mix	Currency Translation	Total
(4)%	(1)%	(2)%	(7)%

Summary

- Segment EBITDA reflected volume decreases in oilfield resins and negative pricing in base epoxy resins
- Temporary production outage negatively impacted results by $8 million
- New transload Oilfield proppants facility announced to further strengthen long-term growth business

Forest Products Resins
Fourth Quarter 2012 Segment Results

($ in millions)	Quarter Ended December 31		
	2012	2011	Δ
Revenue	$ 403	$ 417	(3)%
Segment EBITDA	50	39	28%

4Q'12 Sales Comparison YoY

Volume	Price/Mix	Currency Translation	Total
(4)%	2%	(1)%	(3)%

Summary

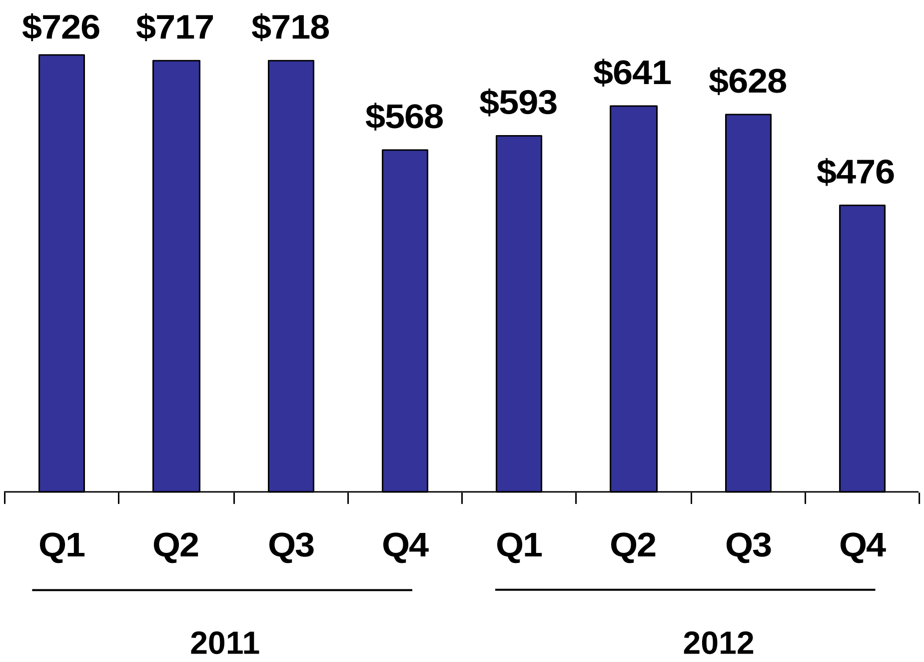
- 4Q'12 sales reflects YoY volume declines due to portfolio rationalizations in EU & AP, partially offset by positive pricing actions
- Continued strong performance in formaldehyde business
- Segment EBITDA gains in all geographic regions within the segment

Balance Sheet Update & Financial Summary

Summary

- Substantial liquidity despite earnings decrease: cash plus borrowing availability of $666 million at December 31, 2012
- FY'12 capital expenditures of $133 million
  - Anticipate FY'13 capital expenditures of $175 to $185 million
- Low working capital intensity
  - Anticipate net working capital to increase slightly in 2013 due to moderate volume increases and raw material volatility, partially offsetting continued actions to improve efficiency

Net Working Capital (1)



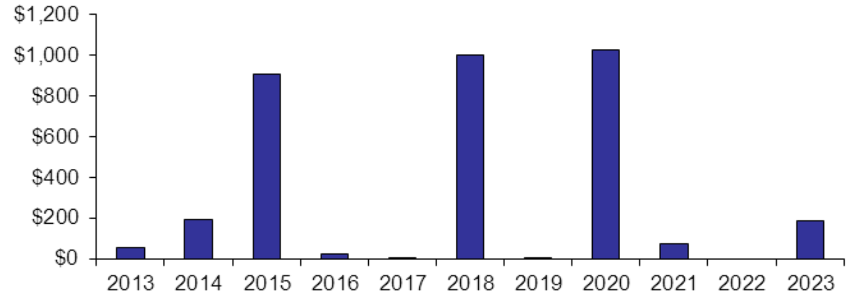
NET DEBT: ~ $3.4 BILLION (12/31/12) (2)

(1) Net working capital defined as accounts receivable and inventories less accounts and drafts payable. Recasted for discontinued operations.
(2) See details of Momentive Specialty Chemical's total debt in the Appendix of this presentation.

Proactive Capital Structure Management has Provided Significant Maturity Headroom

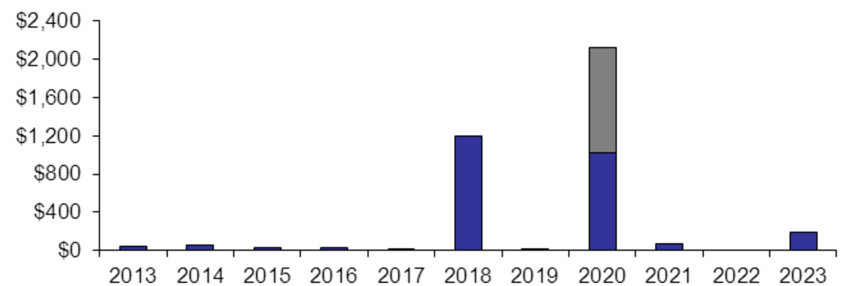
- In January 2013, MSC issued $1.1 billion principal amount of 6.625% First-Priority Senior Secured Notes due 2020. Proceeds were used to:
  - Refinance MSC's Credit Facility including approximately $910 million of Senior Secured Term Loans due 2015
  - Refinance $120 million aggregate principal amount of MSC's 2nd Lien Senior Secured Notes due 2014
  - Fund cash to MSC's balance sheet for general corporate purposes and pay transaction-related fees and expenses
- Additionally, in January 2013 the Company issued an additional $200 million aggregate principal amount of 8.875% Senior Secured Notes due 2018 (the "New Senior Secured Notes")
  - The New Senior Secured Notes were issued to lenders in exchange for loans of MSC Holdings, which were retired in full
- In March 2013, MSC entered into a new $400 million asset-based revolving loan facility (the "ABL Facility"), which is subject to a borrowing base
  - The ABL Facility replaced the Company's existing senior secured credit facilities
- Following the $1.1 billion refinancing, the Company has:
  - No material debt maturities before 2018
  - No financial maintenance covenants in its capital structure (1)

Debt Maturities (12/31/11)



Weighted Average Maturity 5.4 yrs.

Debt Maturities Post Refinancing



Weighted Average Maturity 7.0 yrs.

DISCIPLINED CAPITAL STRUCTURE MANAGEMENT AND LONG-DATED DEBT MATURITY PROFILE

(1) No financial maintenance covenants in MSC's capital structure except for ABL upon minimum availability trigger.

Closing Remarks

Fourth Quarter and Fiscal Year 2012 Closing Remarks

- Segment EBITDA of $84 million compared to $106 million in prior year quarter
  - Strong results in Forest Product Resins business offset by cyclicality in certain end use markets
- Aggressive focus on cost and cash actions: realized $58 million in savings on a run-rate basis from the shared services agreement as of December 31, 2012
- MSC has identified an incremental $25 million in cost savings that we expect to achieve over the next 12 to 15 months
  - Continuing to proactively identify additional cost-saving opportunities
- Prudent balance sheet management:
  - Strong cash flow from operations: $177 million in 2012
  - Successfully refinancing during 2012 and 2013 has positioned the Company with no material debt maturities prior to 2018
- Looking ahead, overall volumes are expected to moderately increase in 2013 versus 2H’12
  - MSC’s broad product portfolio, diversified customer base and international footprint should help the Company navigate the expected economic uncertainty in 2013

WELL-POSITIONED TO GENERATE CASH FLOW AND DRIVE LONG-TERM GROWTH

Appendices

Reconciliation of Non-GAAP Financial Measures

Reconciliation of Segment EBITDA to Net Income (Unaudited)

(U.S. Dollars in Millions)

	Three Months Ended December 31,		Year Ended December 31,	
	2012	2011	2012	2011
Segment EBITDA:				
Epoxy, Phenolic and Coating Resins	$ 46	$ 73	$ 337	$ 506
Forest Products Resins	50	39	201	180
Corporate and Other	(12)	(6)	(48)	(51)
Reconciliation:				
Items not included in Segment EBITDA:				
Asset impairments and other non-cash charges	(1)	(14)	(54)	(41)
Business realignment costs	(6)	(6)	(35)	(15)
Integration costs	(4)	(9)	(12)	(19)
Net income from discontinued operations	—	—	—	2
Other	(16)	(13)	(14)	(12)
Total adjustments	(27)	(42)	(115)	(85)
Interest expense, net	(65)	(66)	(263)	(262)
Income tax (expense) benefit	(6)	(5)	365	(3)
Depreciation and amortization	(38)	(40)	(153)	(167)
Net (loss) income	$ (52)	$ (47)	$ 324	$ 118

Fixed Charge Covenant Calculations

	Year Ended December 31, 2012
Net income	$ 324
Interest expense, net	263
Income tax benefit	(365)
Depreciation and amortization	153
EBITDA	375
Adjustments to EBITDA:	
Asset impairments and other non-cash charges (1)	54
Business realignments (2)	35
Integration costs (3)	12
Other (4)	29
Cost reduction programs savings (5)	14
Savings from Shared Services Agreement(6)	11
Adjusted EBITDA	$ 530
Pro forma fixed charges (7)	$ 296
Ratio of Adjusted EBITDA to Fixed Charges (8)	1.79

(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 asset impairments, stock-based compensation, accelerated depreciation on closing facilities and unrealized foreign exchange and derivative activity.

(2) Represents headcount reduction expenses and plant rationalization costs related to cost reduction programs and other costs associated with business realignments.

(3) Primarily represents integration costs associated with the Momentive Combination.

(4) Primarily includes pension expense related to formerly owned businesses, business optimization expenses, management fees, retention program costs, and certain intercompany or non-operational realized foreign currency activity.

(5) Represents pro forma impact of in-process cost reduction programs savings.

(6) Primarily represents pro forma impact of expected savings from the Shared Services Agreement with MPM in conjunction with the Momentive Combination.

(7) Reflects pro forma interest expense based on interest rates at January 29, 2013, as if the March 2012 Refinancing Transactions and January 2013 Refinancing Transactions had taken place at the beginning of the period.

(8) Our ability to incur additional indebtedness is restricted under the indentures governing certain notes, unless we have an Adjusted EBITDA to Fixed Charges ratio of 2.0 to 1.0. As of December 31, 2012, we did not satisfy this test on a pro forma basis after adjusting for the 2013 refinancing transactions as if they had occurred at the beginning of the period. As a result, we are subject to restrictions on our ability to incur additional indebtedness or to make investments; however, there are exceptions to these restrictions, including exceptions that permit indebtedness under our revolving credit facility (available borrowings of which were $180 million at December 31, 2012).

Debt at December 31, 2012

($ in millions)

	2012		2011	
	Long-Term	Due Within One Year	Long-Term	Due Within One Year
Non-affiliated debt:				
Senior Secured Credit Facilities:				
Floating rate term loans due May 2013 at 2.8% at December 31, 2011	$ —	$ —	$ 446	$ 8
Floating rate term loans due May 2015 at 4.1% and 4.2% at December 31, 2012 and 2011, respectively	895	15	910	15
Senior Secured Notes:				
6.625% First-Priority Senior Notes due 2020	450	—	—	—
8.875% Senior Secured Notes due 2018 (includes $6 of unamortized discount at December 31, 2012 and 2011)	994	—	994	—
Floating rate Second-Priority Senior Secured Notes due 2014 at 4.9% and 5.0% at December 31, 2012 and 2011, respectively	120	—	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	60	2	62	—
Other Borrowings:				
Australia Facility due 2014 at 6.1% and 6.8% at December 31, 2012 and 2011, respectively	31	5	36	5
Brazilian bank loans at 8.1% and 8.9% at December 31, 2012 and 2011, respectively	18	41	—	65
Capital Leases	10	1	11	1
Other at 3.8% and 5.7% at December 31, 2012 and 2011, respectively	4	12	4	23
Total non-affiliated debt	3,419	76	3,420	117
Affiliated debt:				
Affiliated borrowings due on demand at 3.3% at December 31, 2011	—	—	—	2
Total affiliated debt	—	—	—	2
Total debt	$ 3,419	$ 76	$ 3,420	$ 119