

Credit Investor Meetings



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, changes in the final purchase price allocation for ICI, 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.



Agenda

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AkzoNobel history and business today

History of AkzoNobel

AkzoNobel's history goes back to 1777. Through the years, innovative individuals, mergers between companies and outstanding growth has formed what today is one of the world's most successful industrial companies

Key dates in AkzoNobel recent history:

- 1994** - Akzo and Nobel Industries merge to form AkzoNobel
- 1998** - AkzoNobel acquires UK company Courtaulds
- 1999** – AkzoNobel divests 79% of Acordis
- 2007** - AkzoNobel sells Organon BioSciences NV to Schering-Plough Corporation
- 2008** - AkzoNobel acquires Imperial Chemical Industries PLC (ICI)
- 2008** - Sale of ICI's adhesives business to Henkel AG



The new AkzoNobel – key facts

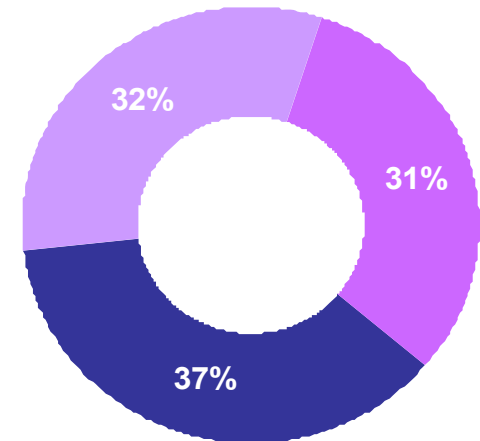
Pro forma 2007*

- Revenue €14.4 billion
- Around 60,000 employees
- EBITDA: €1.9 billion
- EBIT: €1.4 billion
- Net income: €0.9 billion
- Pension under funding €1.5 billion

*Before incidentals and fair value adjustments

Revenue by segment

- Decorative Paints
- Specialty Chemicals
- Performance Coatings



Diversified brand portfolio

Decorative Paints



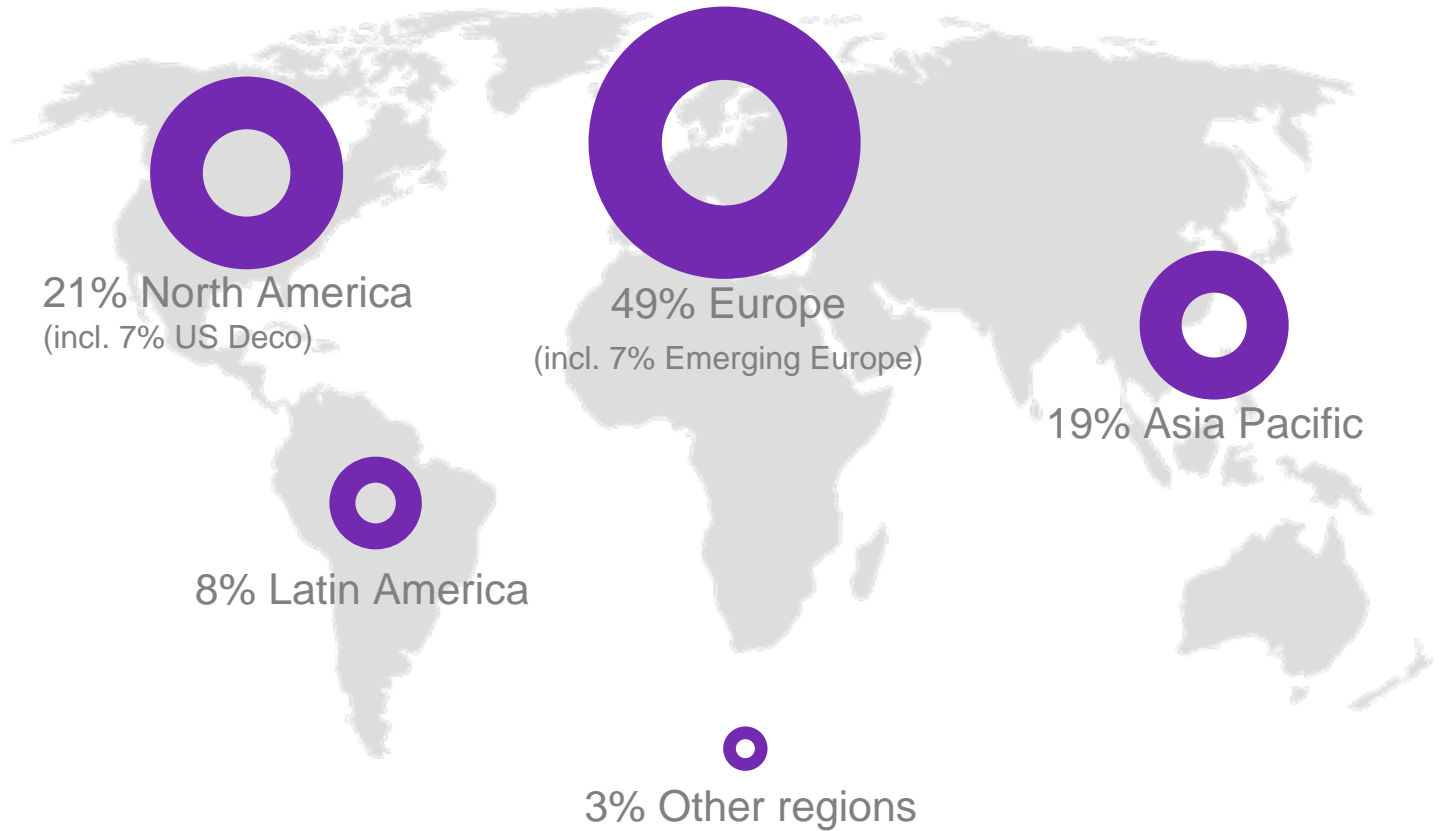
Specialty Chemicals



Performance Coatings



Geographical diversified revenues



Emerging market revenues are 35% of total revenue

*Pro forma 2007



2008 and beyond: actions and targets

Well on track to capture €340mIn of synergies from the ICI acquisition.

55% by 2009
85% by 2010
Completed by 2011

Done:

- ✓ On-sale to Henkel completed
- ✓ Closed former ICI HQ
- ✓ Integrated ICI financial reporting and consolidation flows
- ✓ Management structures in place

In progress / on going:

- Delivery of remaining ICI related synergies
 - Margin management
 - Maximize leadership and scale
 - Roll out Brand program
- => Outgrow our markets
- => EBITDA margin to rank in upper half of our peer group



Peer Group EBITDA Performance

Peer Group EBITDA Margins	2007	Begin 2008	August 2008	2009
DuPont	19.5 %	19.0 %	18.3 %	18.7 %
Hercules Inc.	18.3 %	19.1 %	17.6 %	19.4 %
BASF AG	17.7 %	17.3 %	17.2 %	16.7 %
PPG Industries Inc.	14.7 %	15.2 %	13.6 %	15.1 %
Sherwin- Williams Co.	14.3 %	14.3 %	11.9 %	14.0 %
Dow Chemical Co.	13.7 %	12.6 %	10.4 %	12.2 %
Kansai Paint Co.Ltd.	12.7 %	12.9 %	12.6 %	13.2 %
RPM International; Inc.	12.7 %	12.7 %	11.0 %	12.4 %
Kemira Group	12.4 %	10.9 %	9.9 %	11.6 %
CIBA	12.1 %	13.7 %	11.7 %	14.1 %
Valspar Corp.	11.7 %	11.4 %	11.7 %	11.6 %
Arkema Sa	8.8 %	9.7 %	9.9 %	10.6 %
Average	14.1 %	14.1 %	13.0 %	14.1 %
Median	13.2 %	13.3 %	11.8 %	13.6 %
AkzoNobel⁽¹⁾	12.9 %	13.1 %	12.1 %	

(1) Sources from IBES Estimates and Capital IQ. Ranked by 2007 EBITDA



Financials

Financial summary – key figures

In € millions	1H08	1H07 pro forma	Δ%	FY2007 pro forma
Revenue	7,376	7,277	1	14,442
Cost of sales	(4,634)	(4,492)	(3)	(9,050)
Gross profit	2,742	2,785	(2)	5,392
EBITDA*	924	945	(2)	1,870
EBITDA margin* (in %)	12.5	13.0		12.9
EBIT	405	523		924
Profit before tax	348	475		869
Profit for the period from continuing operations	237	341		622

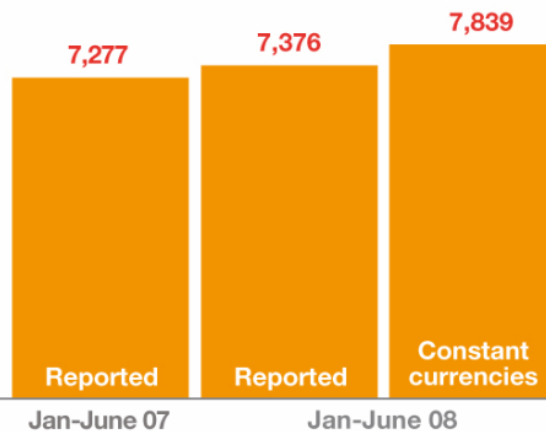
* Before incidentals



Resilient performance in 1H08

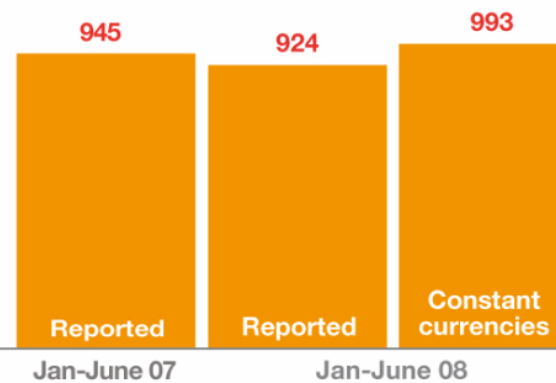
Revenue

IN € MILLIONS



EBITDA before incidentals

IN € MILLIONS

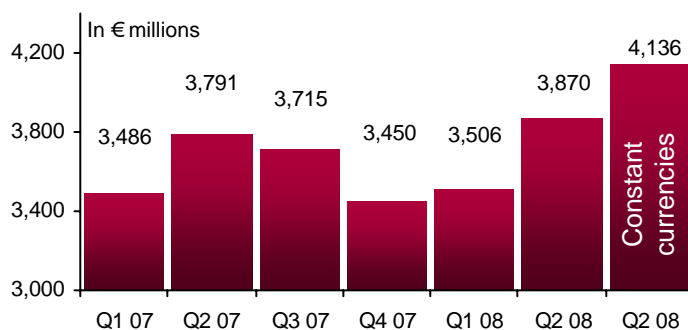


1H08: Strong autonomous revenue growth

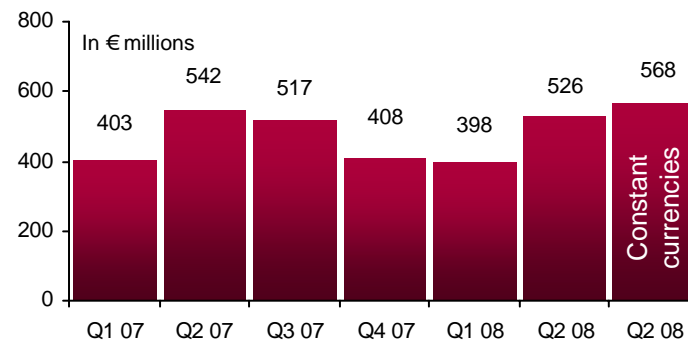
%	Total	Volume	Price	Currency	Acq./div.
Decorative Paints	(4)	–	1	(6)	1
Performance Coatings	–	2	3	(7)	2
Specialty Chemicals	6	5	7	(6)	–
AkzoNobel	1	3	4	(7)	1

Versus H1, 2007 pro-forma

Revenue



EBITDA before incidentals



Managing raw material costs

Dealing with suppliers:

- Purchasing power from our size
- Centralized procurement for key raw materials
- Differentiated supplier base

Passing on price increases:

- Leading market positions
 - Number one coatings company by revenue
- Product positioning that supports pass on of price increases
 - Value added rather than commodity products
 - Leading brands



2008 EBITDA estimated to end up close to FY2007 in constant currencies



Business line overviews and results

Coatings – an attractive industry



Coatings – an attractive industry with strong growth potential

Industry characteristics:

- Strong and stable cash flow generation
- Low cyclicalities
- Low capital intensity

Industry consolidation:

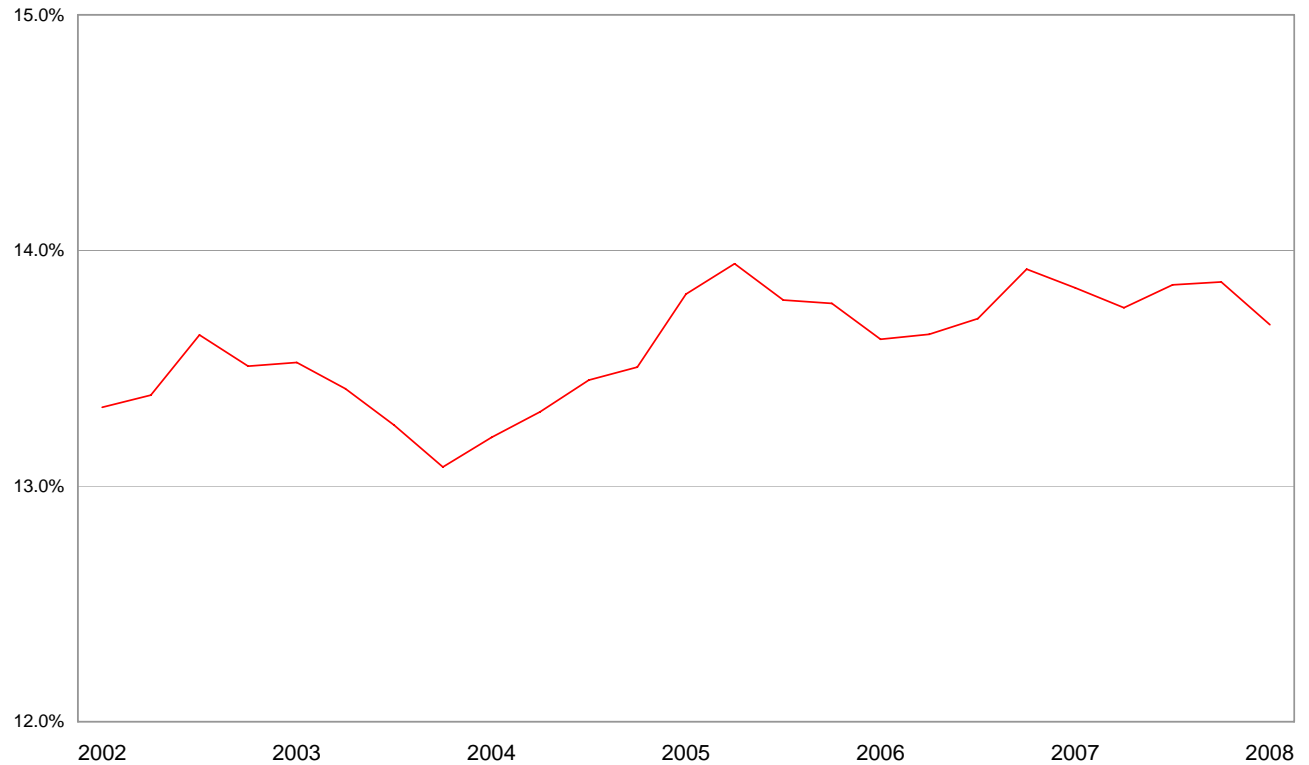
- Clear signs of consolidation in mature markets
- Emerging markets still highly fragmented

High growth potential – increased exposure to emerging markets



Stable margins through the cycle

Coatings industry – average LTM EBITDA margins ⁽¹⁾

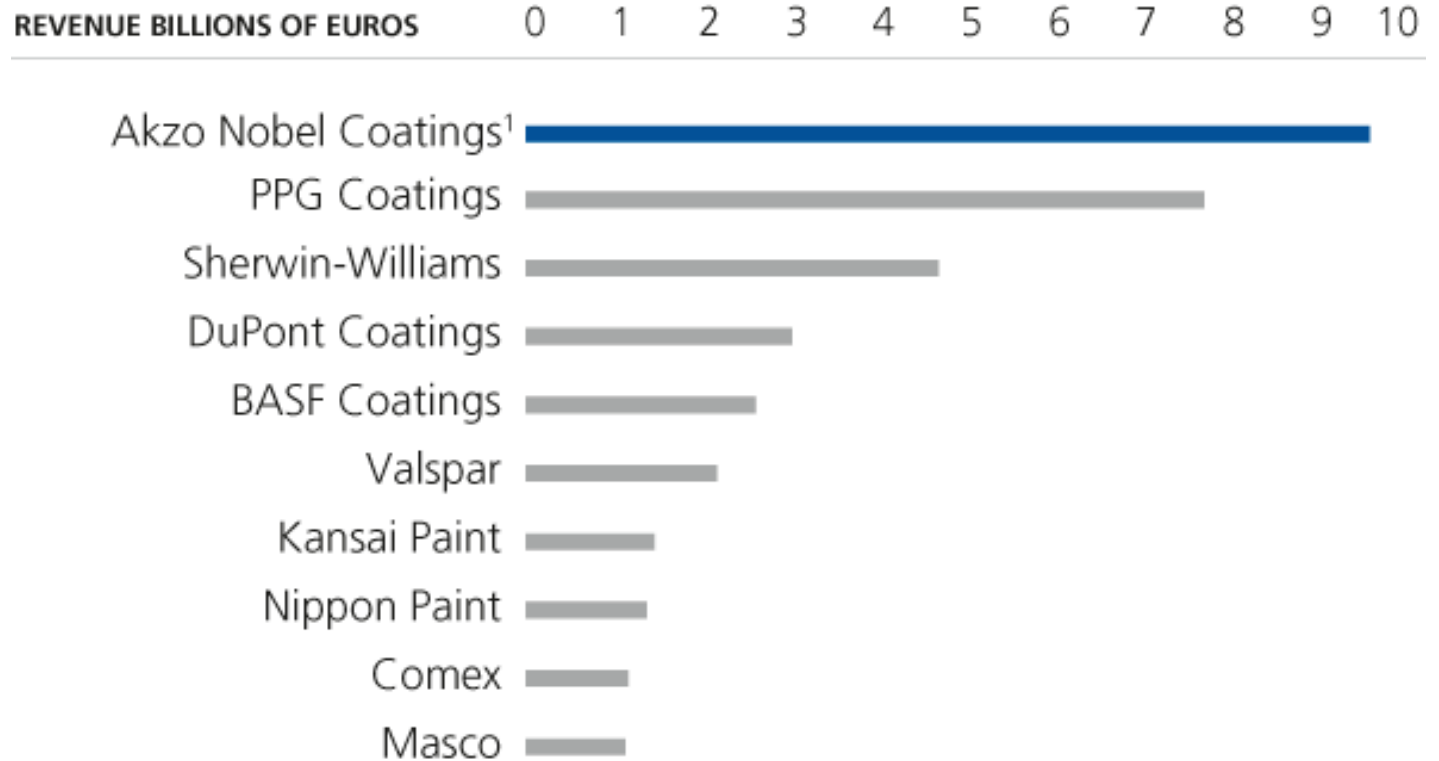


(1) Average LTM EBITDA Margins sourced from Capital IQ. Companies included: DuPont, Kansai Paint, PPG, RPM International, Sherwin- Williams and Valspar



World leader in Coatings

TOP TEN COATINGS COMPANIES 2007



¹ Including ICI Paints.



Strong growth potential

PER HOUSEHOLD SPEND ON PAINTS AND COATINGS



Source: Euromonitor

(1) Spent per annum

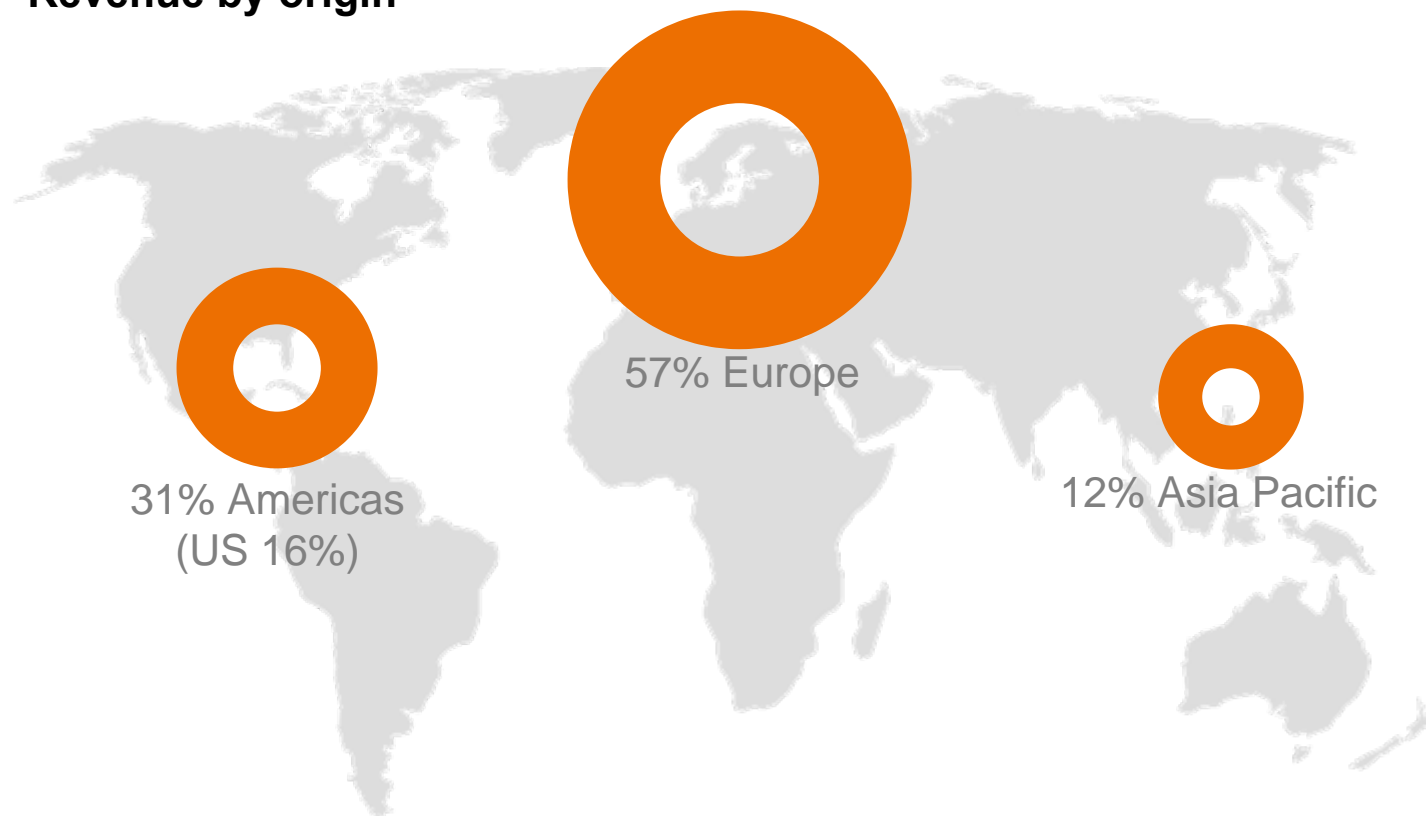


Decorative Paints



Decorative Paints around the world

Revenue by origin



Source: Actual 1H 08



Decorative Paints: geographical spread allows for stable margins

Underlying growth and acquisitions contributed 2 percent to revenue

Continued double-digit autonomous growth in Asia and Latin America

Revenue in Europe in constant currencies was ahead of 2007, US and UK revenue down in local currencies

Leading brands and market positions (in 15 countries # 1 and in 18 countries # 2 or 3) protect margins

Stable EBITDA margin



Decorative Paints

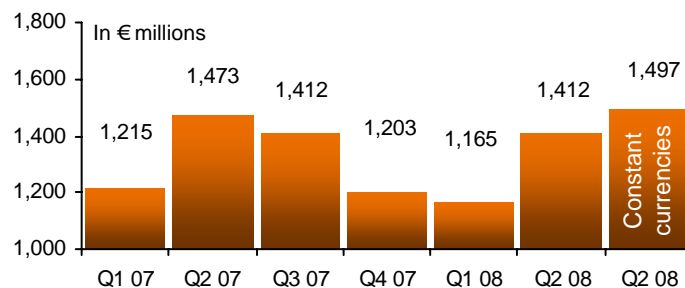
In € millions

Revenue	1H08	1H07 pro forma	Δ%	FY2007 pro forma
Decorative Paints Europe	1,474	1,494	(1)	2,869
Decorative Paints Americas	786	897	(12)	1,768
Decorative Paints Asia	318	299	6	669
Intragroup revenue / other	(1)	(2)		(3)
Total	2,577	2,688	(4)	5,303

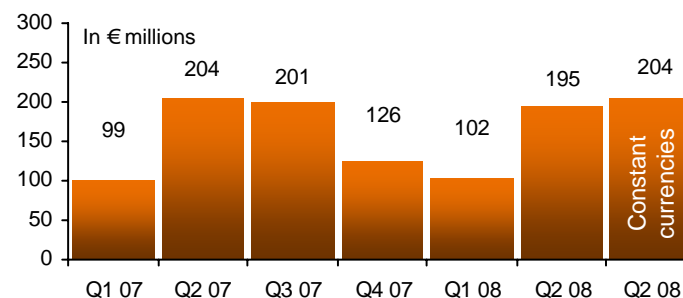
Before incidentals

EBITDA	297	303	(2)	630
EBITDA margin (in %)	11.5	11.3		11.9

Revenue



EBITDA before incidentals



Performance Coatings



Leading positions in Performance Coatings, technology driven leadership

Industrial Activities: wood, coil, powder and plastic coatings. Contributes to a highly diversified range of end products

Marine & Protective Coatings: marine, protective, aerospace and yacht coatings. Value-added proposition to customers is amongst others saving energy

Car Refinishes: leading presence in the maintenance and repair segment of the automotive market

Packaging Coatings: beverage and food. Attractive business that services distinct and different end markets



1H08 Performance Coatings: EBITDA margin up at 12.7 percent

A strong half overall

EBITDA margin increased to 12.7 percent

Excellent half for Marine & Protective Coatings

Solid results at Car Refinishes and Powder Coatings

Industrial Finishes continues to be affected by weak US market conditions



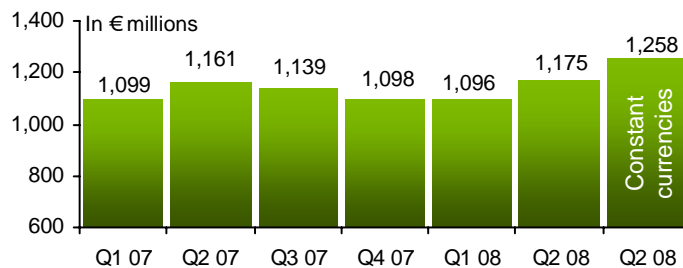
Performance Coatings

In € millions

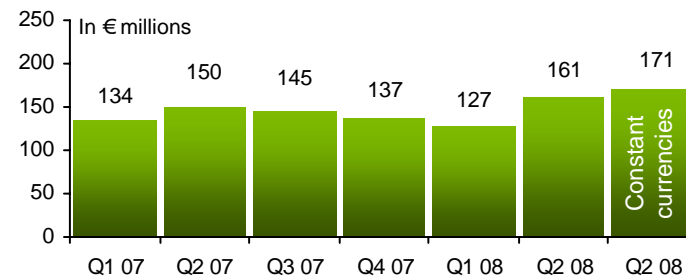
Revenue	1H08	1H07 pro forma	Δ%	FY2007 pro forma
Industrial Activities	999	1,007	(1)	2,032
Marine & Protective Coatings	662	632	5	1,251
Car Refinishes	455	467	(3)	910
Packaging Coatings	174	174	–	340
Intragroup revenue/other	(19)	(20)	–	(36)
Total	2,271	2,260	–	4,497

Before incidentals				
EBITDA	288	284	1	566
EBITDA margin (in %)	12.7	12.6		12.6

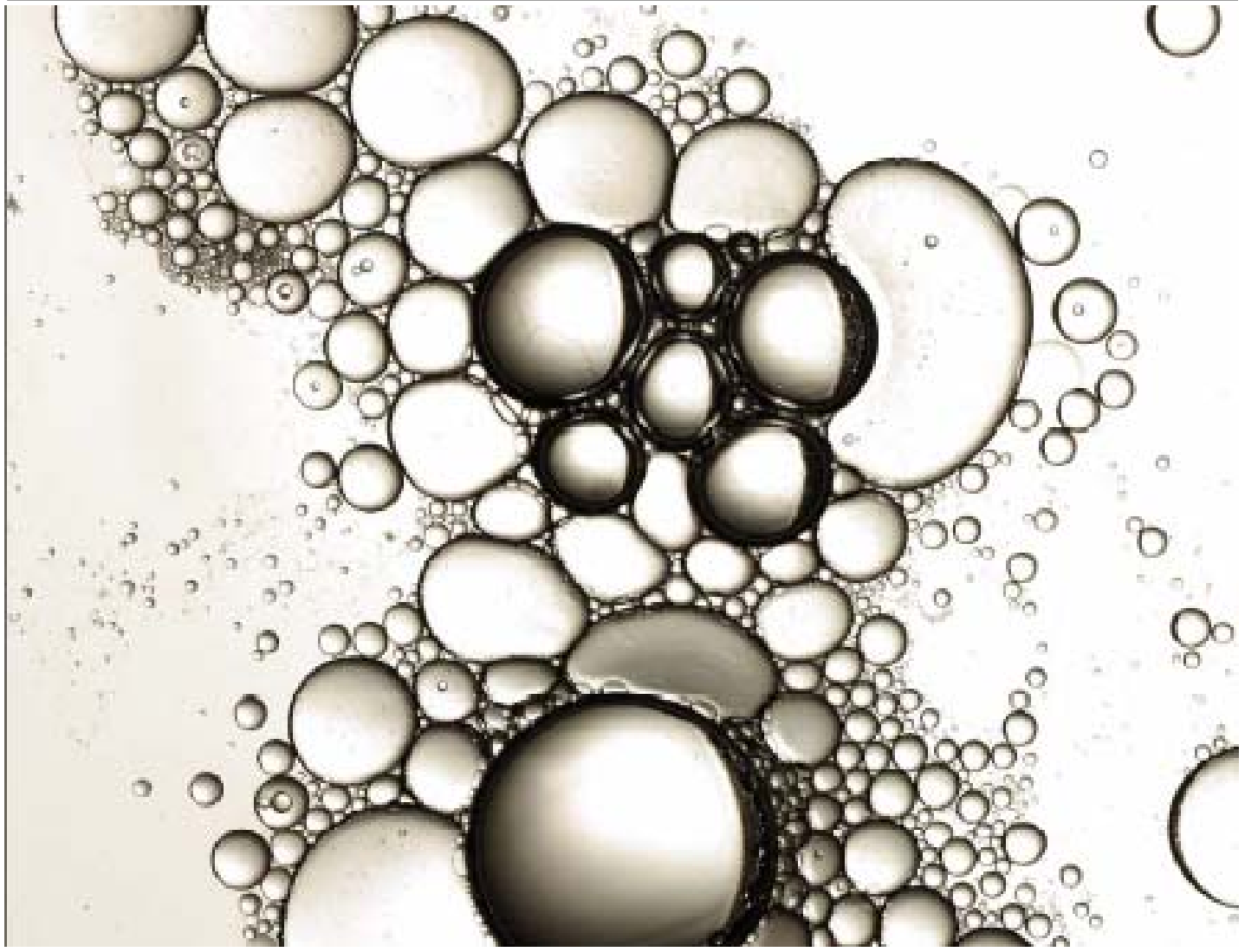
Revenue



EBITDA before incidentals



Specialty Chemicals



Leading positions in specialty chemicals markets and differentiation of end markets

Functional Chemicals - leading positions in 3 market sectors. Products contribute to a wide range of end products.

Pulp & Paper – #1 worldwide in wet chlorine bleaching. “On site” supplier service at larger plants

Base Chemicals – #1 globally in MCA regional N/W Europe leadership in chlorine alkali business

Surface Chemistry – good progress in turning around. Value added products for attractive end markets

Polymer Chemicals – #1 globally in organic peroxides and metal alkyls



Specialty Chemicals

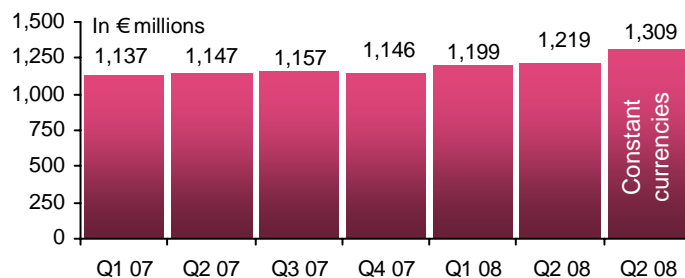
In € millions

Revenue	1H08	1H07 pro forma	Δ%	FY2007 pro forma
Functional Chemicals	562	531	6	1,057
Pulp & Paper Chemicals	495	492	1	993
Base Chemicals	467	435	7	877
Surface Chemistry	412	390	6	770
Chemicals Pakistan	278	238	17	504
Polymer Chemicals	271	268	1	524
Intragroup revenue / other	(67)	(70)		(138)
Total	2,418	2,284	6	4,587

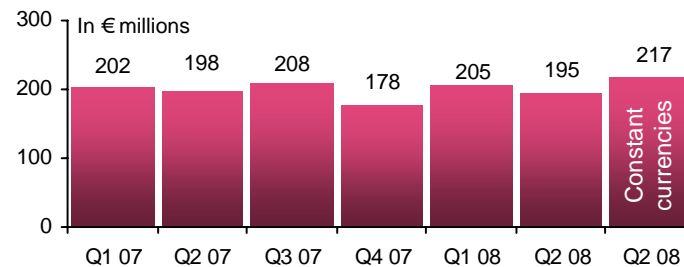
Before incidentals

EBITDA	400	400	–	786
EBITDA margin (in %)	16.5	17.5		17.1

Revenue



EBITDA before incidentals



1H08 Specialty Chemicals: securing top-line growth

Stable performance

12 percent underlying growth driven by significant price increases (7 percent) and higher volumes (5 percent)

Higher raw materials and energy prices led to a lower EBITDA margin of 16.5 percent

EBITDA, in constant currencies, up 10 percent

Strong results at Surface Chemistry and Polymer Chemicals

Weaker demand experienced in Pulp & Paper Chemicals



Overview of financing strategy

Debt profile

AkzoNobel has significant liquidity headroom available



\$1 billion and €1.5 billion CP program backed up by €1.5 billion RCF maturing 2013 (all undrawn)

€2.7 billion of cash and cash equivalents as at 1H 2008

€2.9 billion (equiv.) of public bonds currently outstanding, with €852 million (equiv.) maturing by the end of 2008

Note: EUR equivalent amounts of bonds outstanding are based on exchange rates as of 29th August 2008



Solid credit profile

AkzoNobel Rating

A3 by Moody's and A- by S&P, both with negative outlook

AkzoNobel is committed to maintain a strong investment grade rating through the cycle

Rating agency ratios in line with A3 / A- guidance are monitored

1) Business profile is exceptionally strong

- Transformational portfolio changes completed
- Largest coatings company
- Reduced capital intensity
- Geographical revenue diversification
- Product line diversification
- Leading brands in Decorative Paints
- Technology driven niche market positioning in Specialty Chemicals and Performance Coatings



Solid credit profile

2) Conservative financial strategy in place

- Directed towards conservative funding structure
- Significant liquidity headroom

3) Board of Management commitment to financial strategy

- Acquisition of ICI and share buy back program was funded from divestments, not incremental gross debt
- Pro-active management of pension deficit
- Commitment to optimize AkzoNobel's working capital

4) Business cash flow generation is strong and stable

- Low cyclicity of end markets
- Economies of scale supporting procurement
- Well positioned to pass on price increases



Questions?

Appendix

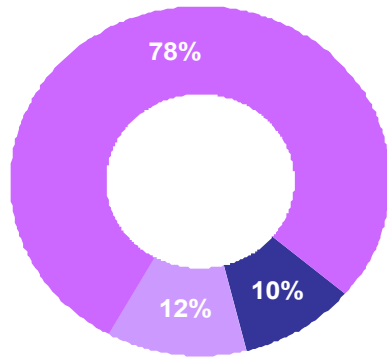
US decorative market

Largest (25%) and most attractive coatings market worldwide

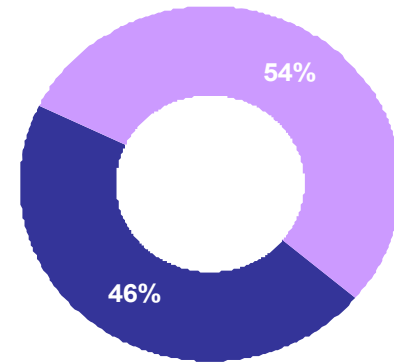
Under pressure since mid-2006

New build estimated 22% of decorative market

- new construction - non residential
- new construction - residential
- maintenance/ repair



- commercial and institutional
- residential

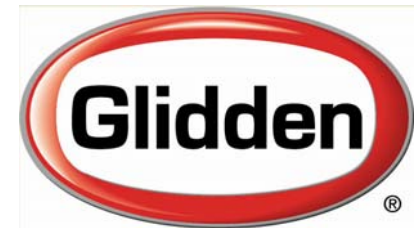


US Decorative paints at AkzoNobel

US Deco paints sales FY 08 estimated at 6% of total company revenues

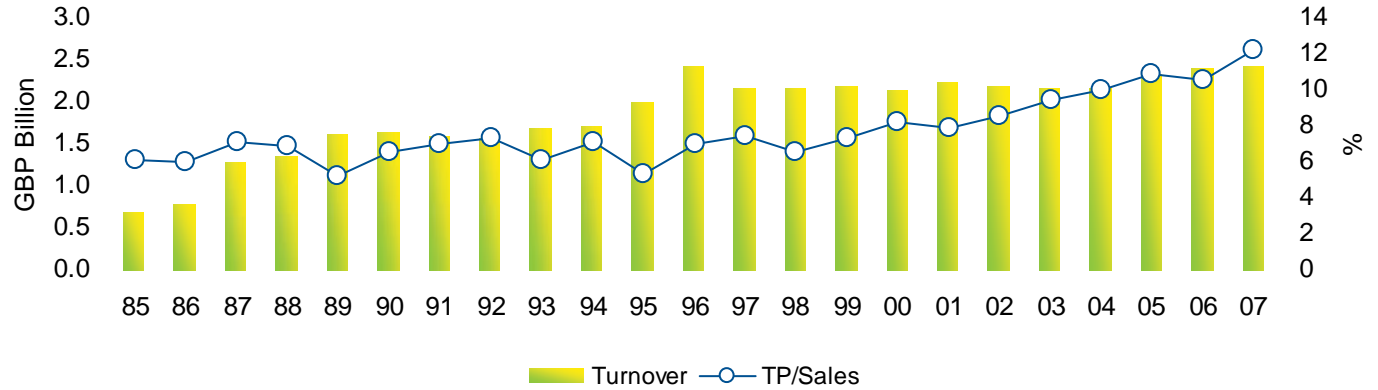
Management action – new US Decorative Paints strategy
Further restructuring, focus on selected end-user segments
Cost reduction and margin improvement while maintaining market share.

Dulux[®]



Resilient margins through the cycle

ICI Decorative Paints



Akzo Nobel Coatings

