

Delivering Tomorrow's Answers Today

AkzoNobel Fact File 2010



AkzoNobel





Looking closer, seeing further

AkzoNobel is the largest global paints and coatings company and a major producer of specialty chemicals. We supply industries and consumers worldwide with innovative products and are passionate about developing sustainable answers for our customers. Our portfolio includes well known brands such as Dulux, Sikkens, International and Eka. Headquartered in Amsterdam, the Netherlands, we are a Global Fortune 500 company and are consistently ranked as one of the leaders on the Dow Jones Sustainability Indexes. With operations in more than 80 countries, our 55,000 people around the world are committed to excellence and delivering Tomorrow's Answers Today™.

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Tomorrow's Answers Today

Often people achieve only incremental progress, because their view of tomorrow is determined by what they see today.

At AkzoNobel, we believe the future belongs to those smart enough to challenge it. We believe that real progress belongs to those who not only think with courage, but also have the courage to deliver on the thought. Tomorrow's answers, delivered today.

What drives us is knowing that what is good for our customers today is not necessarily good enough for them tomorrow. What excites us is asking the unasked question. What inspires us is seeing the opportunity others cannot. What unites us is the intelligence to deliver where others have not.

This benefits our customers because we sustain their future competitiveness and meet the consumers' unspoken needs. This ambition defines us. This is the way we work. This is why we come to work. This is AkzoNobel.

We believe in:

- Focusing on our customers' future first
- Embracing entrepreneurial thinking
- Developing the talents of our people
- The courage and curiosity to question
- Integrity and responsibility in our actions.

Sustainability

AkzoNobel is committed to sustainability at all levels.

Top line growth

Our eco-premium products and processes will help to increase our turnover and will deliver value for society and also improve our bottom line.

Capital efficiency

It is AkzoNobel's policy to ensure that all our new facilities are constructed to meet the highest applicable standards in areas such as energy efficiency, eco-efficiency and process safety.

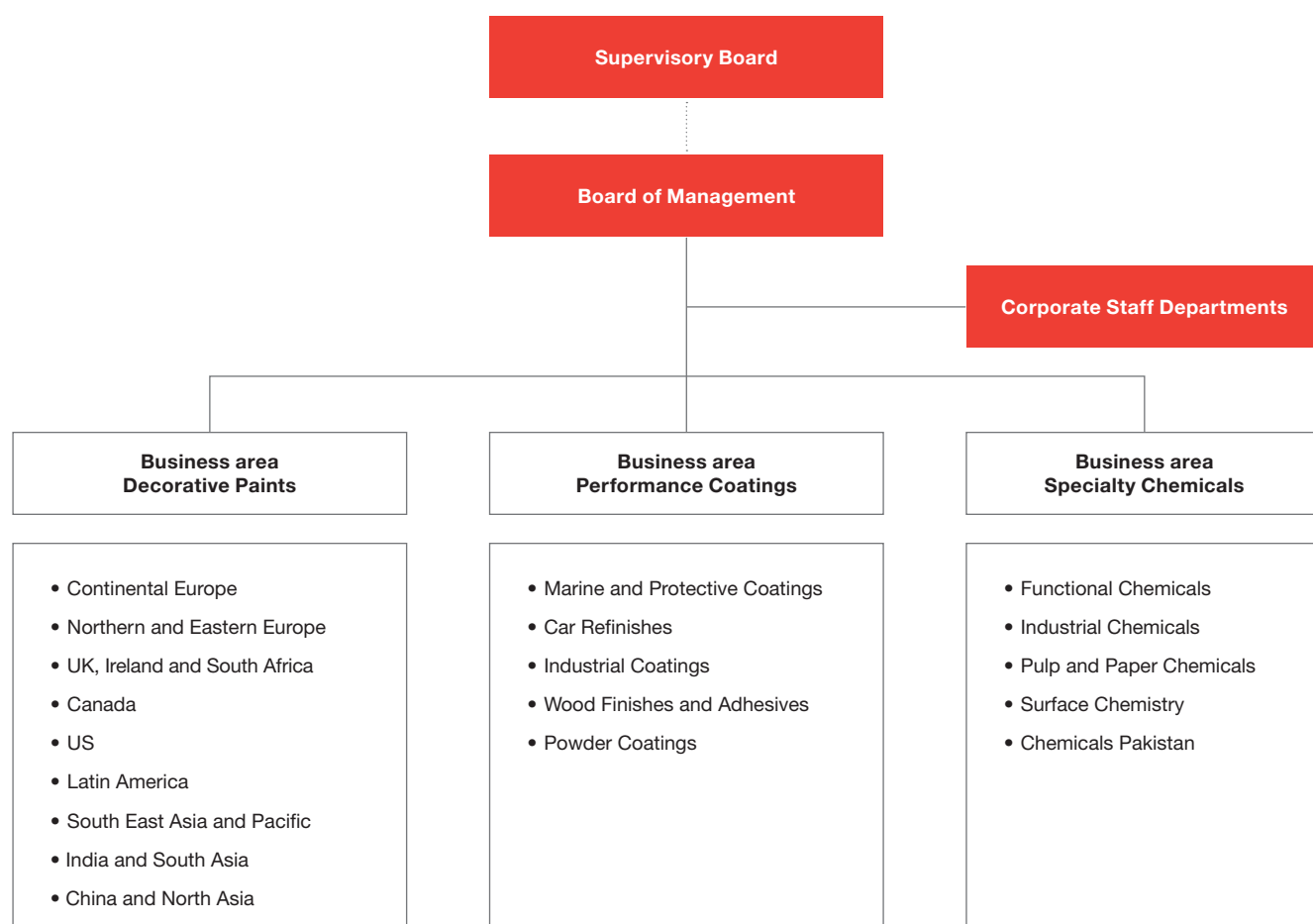
Operational efficiency

Improving operational efficiency is one of the ongoing issues in the industry, focusing on cost reduction, improved process safety, environmental protection and more effective use of raw materials, water and energy.

Dow Jones Sustainability Indexes

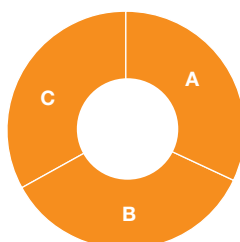
	RANKING
2004	No ranking
2005	Top 10
2006	2 nd place
2007	Super sector leader
2008	Joint 2 nd place
2009	2 nd place

Our organization



Revenue 2009 €13.0 billion in %

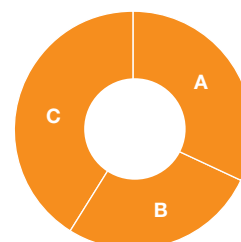
A Performance Coatings	32
B Decorative Paints	35
C Specialty Chemicals	33
	100



EBITDA 2009 €1.7 billion* in %

A Performance Coatings	32
B Decorative Paints	27
C Specialty Chemicals	41
	100

*Before incidentals



Our Board of Management



Hans Wijers

Chief Executive Officer

- Former Senior Partner and Chairman of the Dutch office of BCG
- Former Dutch Minister of Economic Affairs
- Non-executive director at Royal Dutch Shell.



Keith Nichols

Chief Financial Officer

- Former Group Treasurer of Corus Group plc
- Former Finance Director Logistics Division of TNT NV.



Leif Darner

Board Member responsible for Performance Coatings

- Former Board Member responsible for Chemicals
- Former Business Unit Manager of Marine and Protective Coatings in AkzoNobel.



Rob Frohn

Board Member responsible for Specialty Chemicals

- Former CFO of AkzoNobel
- Former Business Unit Manager of Surface Chemistry in AkzoNobel
- Non-executive director at Nutreco NV.



Tex Gunning

Board Member responsible for Decorative Paints

- Former CEO of Vedior NV.
- Former Group Vice-President South East Asia and Australia of Unilever NV.

Our Supervisory Board

Karel Vuursteen

Chairman

- Former CEO of Heineken
- Deputy Chairman and Member of the Board of Directors of Heineken Holding
- Chairman of the Supervisory Board of TOMTOM NV.
- Member of the Supervisory Board of Henkel AG.

Uwe-Ernst Buße

Deputy Chairman

- Former CEO of Degussa AG
- Member of the Supervisory Boards of Solvay SA, Umicore SA and Kali+Salz AG
- Non-executive director of Sunpower Inc.

Virginia Bottomley

Board Member

- Former Secretary of State for Health and Member of the British Cabinet
- Former Secretary of State for National Heritage
- Member of the House of Lords
- Chancellor of the University of Hull
- Governor of the London School of Economics
- Governor of the Ditchley Foundation
- Non-executive director of BUPA
- Executive Director of Odgers Ray & Berndtson
- Trustee of the Economist newspaper.

Dolf van den Brink

Board Member

- Former Member of the Managing Board of ABN AMRO Bank NV.
- Professor Financial Institutions University of Amsterdam
- Chairman of the Supervisory Board of Nyenrode University.

Peggy Bruzelius

Board Member

- Former CEO ABB Financial Services
- Former Executive Vice-President SEB
- Vice-Chairman AB Electrolux
- Non-executive director of Scania AB, Axfood AB, Syngenta AG, Husqvarna AB and Diageo plc.
- Chairman Board of Directors of Lancelot Asset Management
- Director Axel Johnson AB
- Governor Stockholm School of Economics
- Chairman of the Swedish National Agency for Higher Education.

Peter Ellwood

Board Member

- Former Chairman of ICI plc
- Former Group Chief Executive of Lloyds TSB Group
- Chairman of Rexam plc.

Antony Burgmans

Board Member

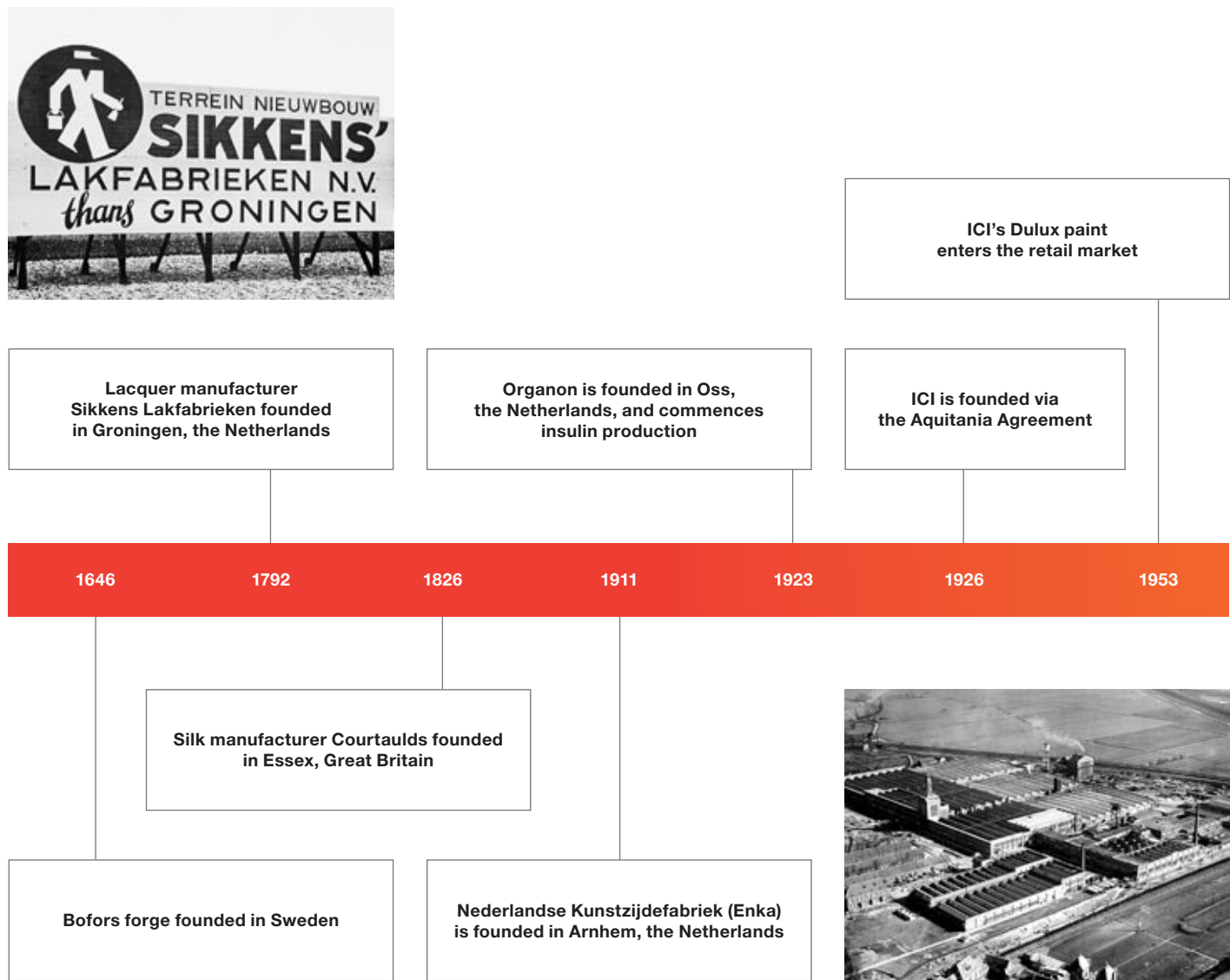
- Former Chairman and CEO of Unilever NV and plc
- Non-executive director of BP plc
- Member of the Supervisory Boards of SHV Holdings NV and AEGON NV.

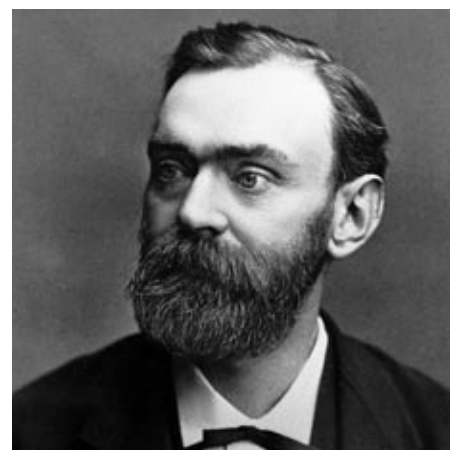
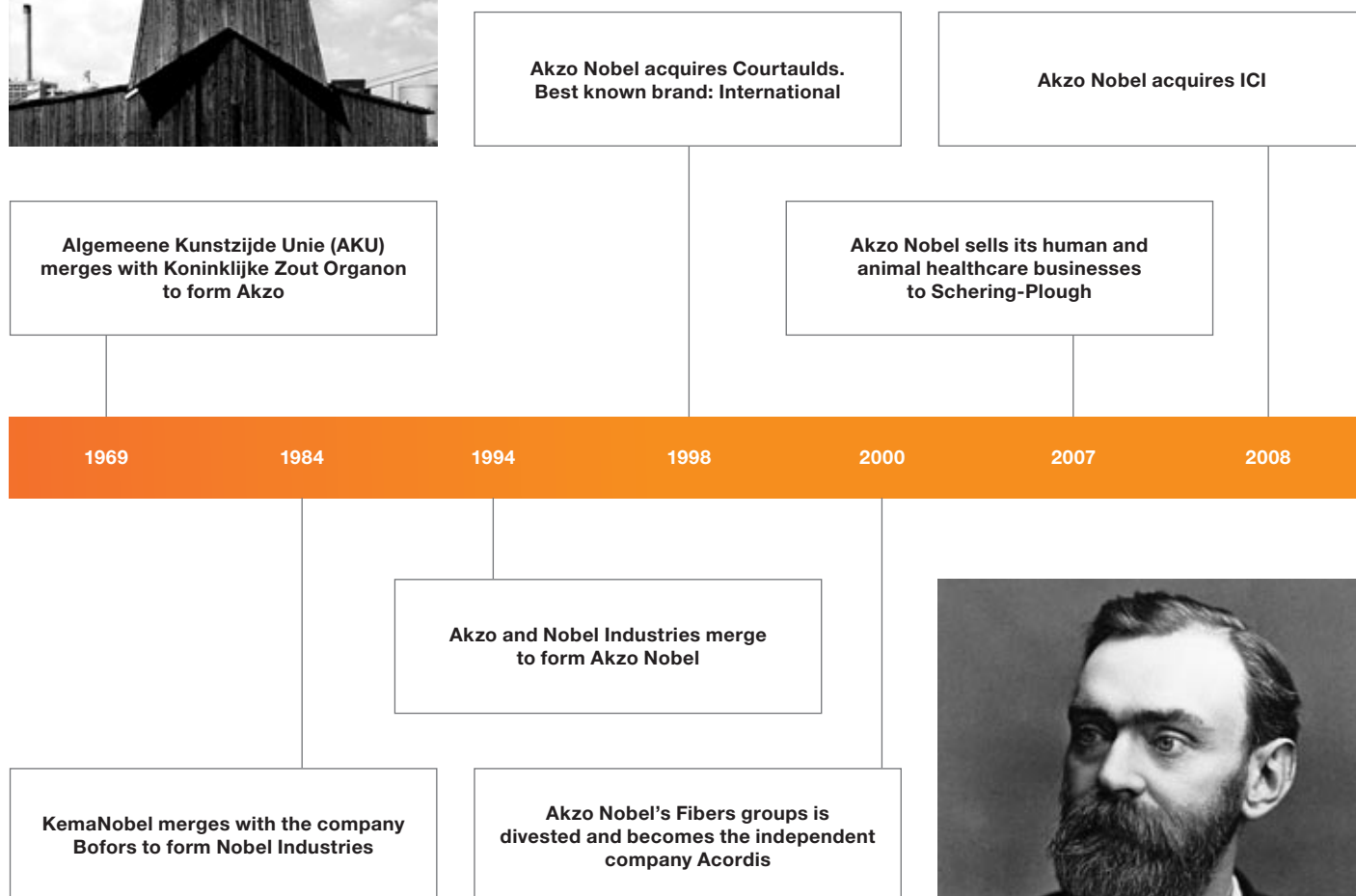
Louis Hughes

Board Member

- Former President and COO of Lockheed Martin
- Former Executive Vice-President of General Motors
- Chairman and CEO of InZeroSystems LLC
- Member of the Boards of Directors of ABB AG and Alcatel-Lucent SA
- Executive Advisor of Wind Point Partners.

A few historical highlights





Alfred Nobel



Decorative Paints

Europe
Americas
Asia

AkzoNobel is the largest global supplier of Decorative Paints, with a global portfolio of strong and leading brands. More than 35 percent of revenue is from high growth markets.

- 2009 revenue €4.6 billion
- 2009 EBITDA €487 million*
- 21,940 employees at year-end 2009

* Before incidentals

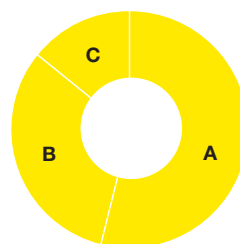
Every day, our products beautify and protect residential and commercial buildings, as well as infrastructure around the globe, and promote safety and good health. They bring color to the world and furnish our homes and offices. And, importantly, they help to create a more sustainable society.

Innovation is a priority, and we continuously launch eco-premium products in all our markets. Our main brand Dulux has won several awards – notably in the UK – honoring the sustainable nature of our products.

Our safety performance is also an important aspect of our business, and we show constant improvement in our total reportable rate of injuries.

2009 revenue breakdown by segments in %

A	Decorative Paints Europe	54
B	Decorative Paints Americas	32
C	Decorative Paints Asia	14
		100



Product: Eco-premium solutions as % of sales



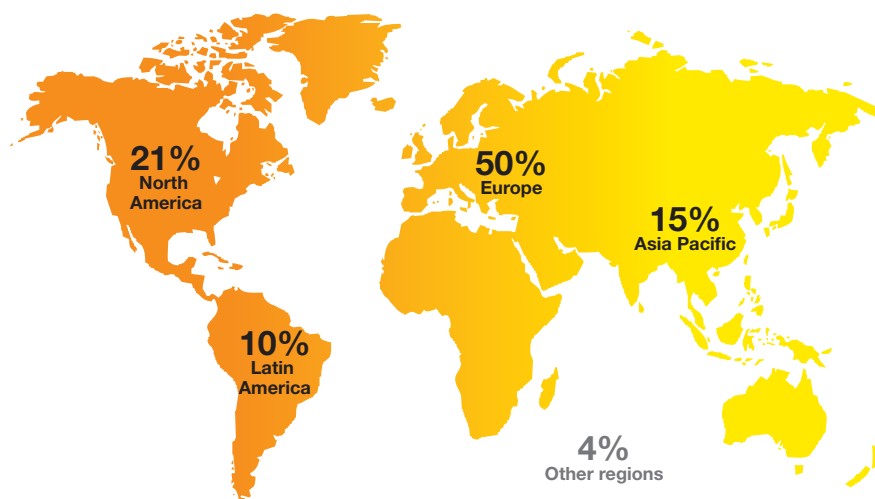
Key value chains with carbon footprint assessment



Total reportable rate of injuries per million hours



Decorative Paints 2009 revenue by destination in %



Our Decorative Paints business supplies a full range of interior and exterior decoration and protection products for both the professional and do-it-yourself markets, including paints, lacquers and varnishes, as well as products for surface preparation (pre-deco products).

Strong brands from our portfolio



Some of our customers



We also supply building adhesives and floor leveling compounds and offer services such as advice and training courses for applicators, as well as interior design and paint application.

Our extensive product range is marketed under international and local brand names including Dulux, Glidden, Sikkens, Levis, Flexa, Sico, Hammerite and Schönox.

Market and business characteristics

The size of the global market for decorative paints is around €30 billion¹.

Architectural coatings

- Interior and exterior wall paints and trim paints (lacquers) for consumers and professionals.

Woodcare and specialty products

- Lacquers and varnishes for wood protection and decoration
- Specialty coatings for metal, concrete and other critical building materials.

Pre-deco products

- Fillers, wall treatments, sealants and putties for consumers and professionals.

Building adhesives

- Tile and floor adhesives and floor leveling compounds used in the building and renovation industry
- Supplied for professional workers such as tile, floor and parquet layers, interior decorators and painters
- Direct to medium-sized.

Customers

Our end-users can broadly be segmented into homeowners (either DIY or BIY – buy-it-yourself), professional painters serving homeowners and commercial contractors. They are served through a variety of outlets ranging from big box chains such as The Home Depot, B&Q and Leroy Merlin (serving mainly homeowners) to independent dealers (serving both homeowners and professionals) and company-owned stores focused on serving professionals.

Decorative Paints in the world



¹ Based on external sources and company estimates



Global market drivers and developments

- Growing populations and GDP growth
- Activity of residential and commercial new-build and home sales
- Global increase in importance of home and interior decoration
- Rise of middle class in high growth markets
- Legislative/regulatory pressures on environmental and health issues (VOC, REACH) driving innovation
- Increasing importance of large scale outlets
- Growth of importance of women as decision-makers
- Increasing importance of internet.

Drivers for buying decision

Retailers

- Strong brands that attract customers
- Innovation that drives demand and basket spend
- Category management capability.

Trade customers

- Product quality, consistency and innovation
- Product availability and service
- Technical and business support
- Strong brands supporting loyalty.

Innovations

Making decoration easy – convenience of application

- Cuprinol Sprayable – sprayable fence treatment
- Hammerite Metalmaster – unique “wrap-around” metal protection spray coating
- Dulux PaintPod – automated, easy-to-use wall paint application system.

Support professional painters with tailor-made products and services

- Sikkens object analysis, design support and marketing programs for painters
- The Dulux Trade Environmental Wash System and DDC (Dulux Decorator Centers) Paint Can Recycling – professional paint waste management systems
- Herbol Façade Certification Program
- Glidden SpeedWall – highly efficient interior wall paint with superior properties for the professional painter.

Eco-premium portfolio

Recent initiatives:

- Dulux Trade Ecosure – water-based, high performance professional paint
- Sikkens Rubbol XD – VOC-reduced, ultra durable professional trimpaint
- The Freshaire Choice – zero-VOC consumer wall paint
- Dulux Light & Space – highly light reflective, energy saving wall paint
- Herbol Symbiotec – nanotechnology based, dirt repellent wall paint.

Top raw materials

- Binders/resins
- Titanium dioxide
- Packaging materials

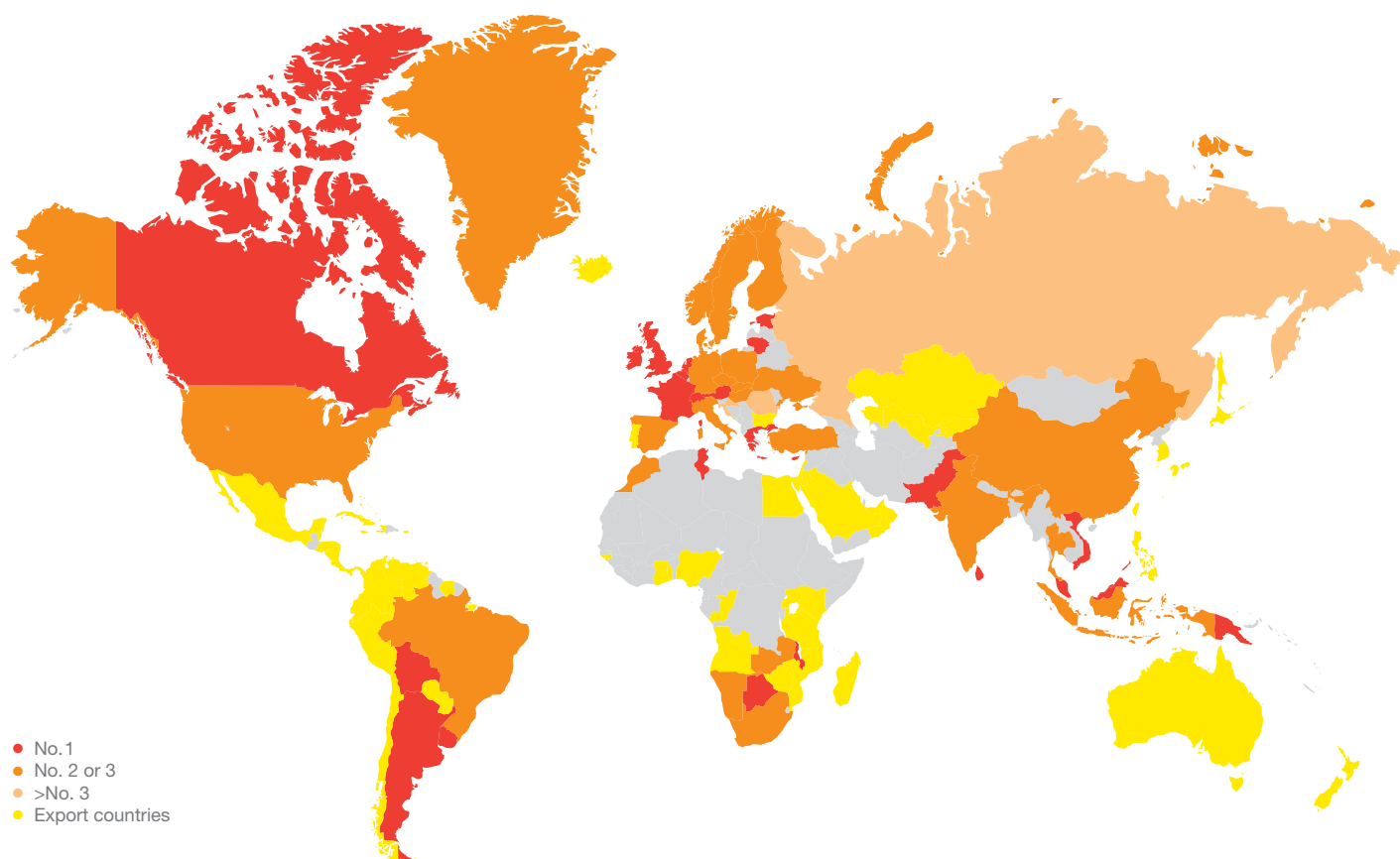
Price drivers

- Oil prices
- Energy prices
- Steel prices



AkzoNobel is market leader with 15 percent market share

AkzoNobel market positions by value



Source: Euromonitor basis; AkzoNobel analysis 2009

Europe

- 2009 revenue €2,531 million
- 11,860 employees at year-end 2009

Regional market characteristics

Mature markets (Continental, UK/Ireland and Nordics)

- Market growth slowed due to economic pressures – core growth maintained by increasing home ownership and growing number of households, and ageing housing stock
- Rising individualism and trend away from do-it-yourself to “do-it-for-me” with use of professional decorators due to increasing consumer affluence – opportunity to secure/develop high margin business through enhanced service offer (decorator, painter).

High growth markets (Central Europe including Russia, Turkey)

- Trading-up consumers from low to mid and premium segments
- Rapidly growing market for wooden garden furniture (huge woodcare maintenance market).

Segmentation and distribution channels

- Market split between DIY and trade roughly 50/50 percent with minor differences per country
- European markets reflect general development in channel segmentation
 - High share of small scale outlets (SSO)/ independent dealers versus large scale outlets in high growth markets declines when markets become more mature and large scale outlets/big box chains gain market share (>20 percent in mature European markets)
 - Independent dealers/wholesalers bought by paint manufacturers and transformed to company-owned stores to balance dependence on LSOs and serve professional painters.



Antoine Fady
Managing Director Continental Europe



Ruud Joosten
Managing Director Northern and Eastern Europe



Richard Stuckes
Managing Director UK, Ireland and South Africa, Building Adhesives

Market position and value

	MARKET POSITION	MARKET VALUE*
		€ billion
Continental Europe	1	6.5
Northern and Eastern Europe	1	3.0
UK, Ireland and South Africa	1	1.8

* Based on external sources and company estimates



Americas

- 2009 revenue €1,413 million
- 6,810 employees at year-end 2009

Regional market characteristics

- US: largest single market for coatings and adhesives continues to be fragile. Economy impacted by high unemployment, weak consumer confidence and conflicting signs among the main drivers of the recovery: housing and manufacturing
- Canada: typical mature market with moderate growth rates
- South America: Stable growth after periods of volatile macro-economic conditions.

Segmentation and distribution channels North America

Fully segmented market (retail/trade approximately 50/50 percent) with developed distribution channel structure including independent dealers (trade and retail), company owned stores (trade) and large scale outlets (retail).

- Canada
As market leader, AkzoNobel is present in all channels of distribution
 - Independent and company owned paint stores
 - Big Box (Rona, The Home Depot) and mass merchants
 - Small and mid-size outlets (BMR, PRO).
- US
AkzoNobel goes to market with 11 well respected do-it-yourself and trade brands through all primary channels of distribution, including:
 - Big Box (The Home Depot and Lowe's)
 - Company owned stores (Glidden Professional Paint Centers)
 - Independent dealers (more than 4,000 locations)
 - Distributors
 - Export.

Latin America

Varying market segmentation with specific outlet structure per country

- Strong share of builder merchants in Brazil and hardware stores in Argentina
- Limited share of classical large scale retail outlets.



Pierre Dufresne
Managing Director Canada



Erik Bouts
Managing Director United States



Jaap Kuiper
Managing Director Latin America

Market position and value

	MARKET POSITION	MARKET VALUE*
		€ billion
Canada	1	0.7
United States	3	5.5
Latin America	2	2.5

* Based on external sources and company estimates



Asia

- 2009 revenue €632 million
- 3,270 employees at year-end 2009

Regional market characteristics

- South East Asia and Pacific: Strong market growth expected, especially from Indonesia and Vietnam
- South East Asia and Pacific: An emerging middle class is driving more urban households, a move from non-permanent to permanent and unpainted to painted houses, and spending a greater percentage of their disposable income on decoration
- India and South Asia: India provides a tremendous market potential with a population of over a billion people and per capita consumption of paint as low as 1.5 liters
- India and South Asia: Consumers are upgrading to superior paint, with this category growing at almost 1.5 times the total market in the past five to six years. This is a reflection of consumers treating their homes as an extension of their personality and considering them to be symbolic of their standing in society.

- China and North Asia: Increasing consumer sophistication, particularly on the health impact of paints and their aesthetic contribution
- China and North Asia: The competitive landscape is highly fragmented, with the top five players accounting for around 40 percent. The remainder of the market is split between >8,000 local and regional manufacturers/brands.

Segmentation and distribution channels South East Asia and Pacific

- Mostly buy-it-yourself consumers where the consumer buys the product and a professional does the painting – this is 60 percent of our market. Have-it-done and do-it-yourself are both 20 percent.

India and South Asia

- There are around 30,000 paint retailers in India and South Asia and about 70 percent of them are serviced directly by paint companies. These paint stores are largely in Mom & Pop store format that seem to be stuck in a time-war – basic, cluttered, dirty



Jeremy Rowe
Managing Director South East Asia and Pacific (SEAP)



Amit Jain
Managing Director India and South Asia (ISA)



Peter Chen
Managing Director China and North Asia (CNA)

Market position and value

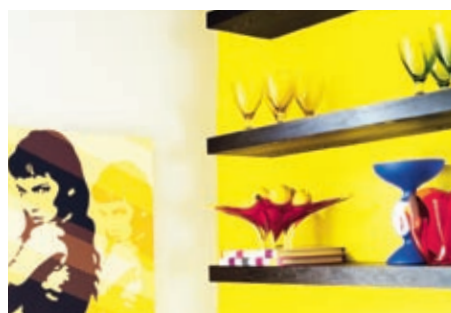
	MARKET POSITION	MARKET VALUE*
		€ billion
South East Asia and Pacific	1	1.5
India and South Asia	2	1.5
China and North Asia	2	6.0

* Based on external sources and company estimates

- The region is dominated by BIY consumers. Around 40 percent of brand decision makers are women and this number increases to 70 percent for colour decision-making. Painting is contracted out to professional painting contractors. They influence end-customer choice, especially in the builder and institutional segment.

China and North Asia

- China is mainly dominated by BIY with very little DIY presence.





Performance Coatings

Marine and Protective Coatings
Car Refinishes
Industrial Coatings
Wood Finishes and Adhesives
Powder Coatings

We're world leaders when it comes to performance coatings. Over the years we've earned a rock-solid reputation based on our innovative technologies, first class service and flexible distribution.

- **2009 revenue €4.1 billion**
- **EBITDA €594 million***
- **19,940 employees at year-end 2009**

* Before incidentals

Our brands include famous names such as Sikkens, International and Interpon. Performance coatings have hundreds of uses. We've divided them into five businesses: Marine and Protective Coatings, Car Refinishes, Industrial Coatings, Wood Finishes and Adhesives and Powder Coatings. Together they supply businesses ranging from construction to consumer electronics and shipping to sports equipment.

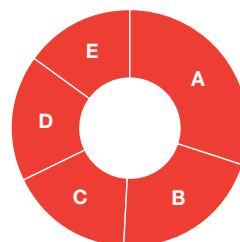
We are a truly global business with 45 percent of revenue coming from high growth markets.

We have a strong focus on R&D and product stewardship and continuously concentrate on innovations in the field of sustainable technology. Currently, 18 percent of our sales are eco-premium products, with products such as Intersleek 900, Autoclear UV and Interpon leading the way.

Safety is also an important parameter, and we are proud to say that our trend shows constant improvement.

2009 revenue breakdown by business unit in %

A	Marine and Protective Coatings	30
B	Car Refinishes	21
C	Industrial Coatings	17
D	Wood Finishes and Adhesives	17
E	Powder Coatings	15
		100



Product: Eco-premium solutions as % of sales

2007	17
2008	19
2009	18

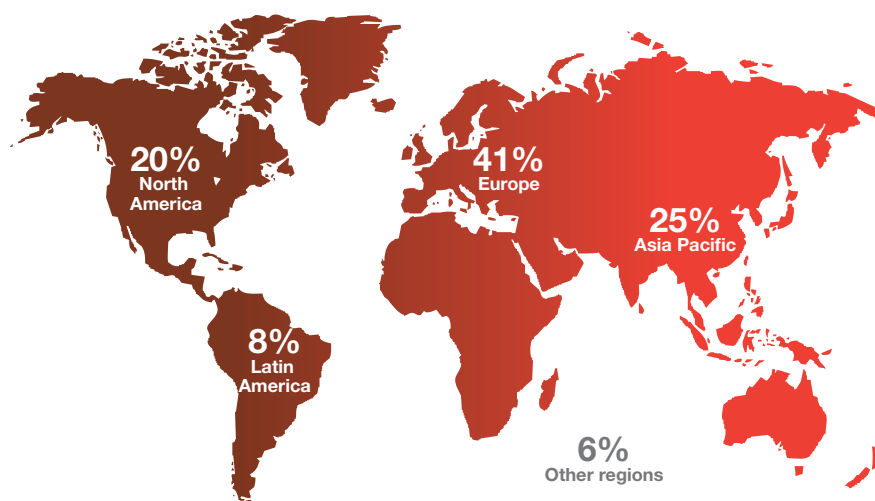
Key value chains with carbon footprint assessment

2009	52
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Total reportable rate of injuries per million hours

2006	6.1
2007	5.7
2008	4.8
2009	3.3

Performance Coatings 2009 revenue by destination in %



Marine and Protective Coatings

Ask any experienced sailor and chances are they'll recognize the red propeller logo of our International marine coatings brand. But we don't just produce paints and antifouling materials for ships and yachts. We also supply protective coatings for bridges and buildings, including some major world landmarks.

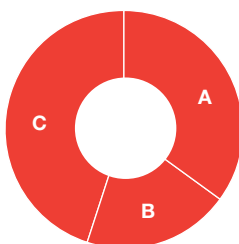


Bob Taylor Managing Director

Geo-mix revenue by destination in %

A Europe (includes Middle East and Africa)	35
B Americas	20
C Asia Pacific	45
	100

Shown as a percentage of 2009 revenue



Marine and Protective Coatings in the world



- 17 manufacturing locations including eight R&D centers
- Sales locations

Market positions

	EUROPE	AMERICAS	ASIA PACIFIC	GLOBALLY
Marine	1	1	1	1
Protective	1	2	1	1
Yacht	1	1	1	1

Strong brands from our portfolio

International

AWLGRIIP

CHARTEK®
FIREPROOFING

DEVOE
HIGH PERFORMANCE
COATINGS

Some of our customers

BP
ExxonMobil
GE Power Systems

Hanjin Shipping
Samsung
Shell

- **Revenue €1,260 million**
- **5,250 employees, active in 54 countries**
- **Marine Coatings, Protective Coatings, Yacht Paints**

Next time you visit the London Eye, Sydney Harbor Bridge, the National Aquatics Center in Beijing or see the world's largest cruise liners, you'll know we're helping to protect them.

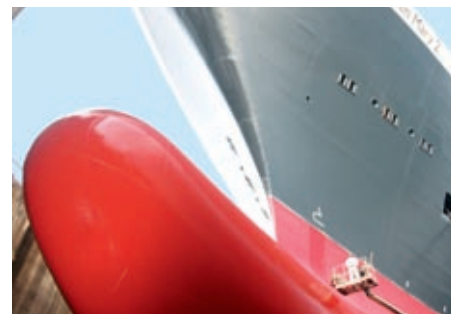
Market and business characteristics

Marine Coatings

- Global market size is about €2.2 billion¹
- End markets: New-building, repair and maintenance of deep sea, coastal and military vessels
- Market strongly dependent on new-building activity while maintenance and repair is a less cyclical business
- 90 percent of new-building market in Asia; 50 percent of ship owners Europe/Middle East based
- Complex sales and distribution involving ship owners, shipyards and dry docks.

Protective Coatings

- Global target market size is over €5.6 billion¹
- Corrosion and fire protection across a wide range of industries including upstream and downstream oil and gas facilities, chemical and petrochemical installations, high value infrastructure (airports, stadia, etc.), power generation and mining and minerals markets
- Considerable market growth in China and India, together with significant growth opportunities in Brazil, Russia, the Middle East and Africa
- Complex supply chain involving architects/engineers as specifiers and multiple contractor levels
- Good market positions with high added value products augmented by the recent acquisitions of the Devoe, Ceilcote and Enviroline brands.



Yacht Coatings

- Global market size is about €400 million¹
- Coatings to protect and beautify yachts from the smallest dinghy to the largest superyacht
- Superyacht segment has been growing rapidly
- Equal distribution between professionals (yards) and retail (DIY)
- Brands (International, Interlux, Awlgrip) are important
- Customers: Lurssen, West Marine, plus a large number of unique, prestigious projects.

Strategy

"Creating growth through leadership"

Organic growth

Focus on Asia, Russia, Central/Eastern Europe, Middle East, Africa and the Americas.

Innovation

Developing products which add value to customers and ourselves.

Acquisitions

Using opportunities for consolidation, especially in protective coatings markets.

Innovations

- Intersleek series: Biocide-free antifouling for deep sea vessels (winner of Queen's Award for Enterprise in Innovation 2007)
- Chartek: Passive hydrocarbon fire protection for the onshore and offshore oil and gas industry
- Intercure 99: An exciting new product already coating the Bayer Arena in Leverkusen, Germany
- Intertherm 751 CSA: A revolutionary new product for the oil and gas industry
- Interfine 1080: The performance of a two-pack polysiloxane in a single pack
- Micron Antifoulings: High strength polishing antifoulings, providing exceptional performance even in difficult fouling conditions.

Operational excellence

- DATAPLAN – the world's largest and most comprehensive database on marine coatings – used to provide customers with reports on coatings performance and customized fleet maintenance schedules
- WWF endorsement for Intersleek (customer certificates)
- We track every ship we paint
- We are improving our key performance indicators every year.

Top raw materials

- Epoxy resins and organic solvents
- Copper/zinc
- Curing agents

Price drivers

- Oil feedstock chain
- London metal exchange commodities
- Base chemical prices

¹ Based on external sources and company estimates

Car Refinishes

Car Refinishes is one of the world's leading suppliers of paints and services for the vehicle refinish, OEM commercial vehicles, automotive plastics and aerospace coatings markets. We provide coatings for original equipment and refinishing applications to bodyshops, aircraft manufacturers, fleet owners, automotive suppliers and major bus and truck producers.

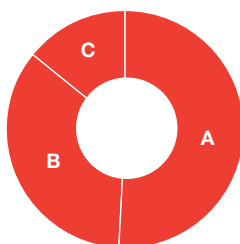


Jim Rees Managing Director

Geo-mix revenue by destination in %

A Europe (includes Middle East and Africa)	51
B Americas	35
C Asia Pacific	14
	100

Shown as percentage of 2009 revenue



Car Refinishes in the world



- Manufacturing locations
- R&D locations
- Color Development locations

Market positions

	EUROPE	AMERICAS	ASIA PACIFIC	GLOBALLY
Vehicle Refinish	3	4	3	3
OEM Commercial Vehicles	3	3	3	3
Automotive Plastic Coatings	1	5	5	5
Aerospace	2	2	2	2

Strong brands from our portfolio



Some of our customers

- Revenue €872 million
- 5,090 employees, active in more than 130 countries
- Vehicle Refinish, OEM Commercial Vehicles, Automotive Plastic Coatings, Aerospace Coatings

Market and business characteristics

Vehicle Refinish

- Global market size is €4.5 billion¹
- Paints and services for collision repairers and commercial vehicle refinishers
- Market strongly dependent on GDP and vehicle population size. Major growth opportunities in high growth markets
- Value chain includes insurance companies, fleet owners, car makers, paint distributors and collision repairers.

OEM Commercial Vehicles

- Global market size is €640 million¹
- Paints and services for OEM buses and trucks and specialized commercial vehicle builders
- Market strongly dependent on GDP and new vehicle build rate. Big markets in North America and Europe. Major growth opportunities in high growth markets
- Market is a blend between true business-to-business industrial and car refinishes approach.

Automotive Plastic Coatings

- Global market size is €1.0 billion¹
- Coatings for automotive components
- Market strongly dependent on OEM car production volumes. Significant opportunities in China, India, Latin America and Eastern Europe
- Business-to-business market with Tier 1 and Tier 2 OEM suppliers, but closely connected to automotive OEMs.



Aerospace Coatings

- Global market size is €250 million¹
- External and internal coatings for commercial, general aviation and military markets for both OEM application and maintenance and repair
- Market strongly driven by commercial sector (airlines), both in new-building and maintenance (livery changes)
- Complex manufacturer specifications.

Strategy

To challenge the number two position in the global VR market, and to defend and grow our number two position in Aerospace. By:

- Driving profitable growth:
 - business operational excellence, organic growth (and outpacing competition) in major mature markets, developing a strong position in high growth markets
- Participating in industry consolidation:
 - selective acquisitions
- Achieving operational effectiveness and building and maintaining value-creating relationships with key external stakeholders:
 - key focus on color excellence, brand management, key account management and distribution
- Maximizing employee performance and engagement
- Striving for world class levels of sustainability and safety:
 - our ambition is to be acknowledged as the sustainability leader in both the aerospace and global car refinishes industries.

High growth markets

Total revenue in Brazil, Russia, India, China, Eastern Europe, Mexico, Latin America and Turkey is €220 million. The high growth markets revenue growth for Car Refinishes is linked to GDP growth and vehicles sales.

Growth trends

- Vehicle refinish – growth in all specified high growth markets
- OEM commercial vehicles – largest growth in the BRIC as these economies expand and the requirement for modern commercial transport increases. In the medium term we still see a growth trend
- The growth trend is still impacted due to the global OEM downturn. However, we did manage to outgrow the markets in 2009, and in general we feel we have moved off the bottom.

Innovations

We are intent on continuously bringing new technologies from our development pipeline to our customers. We do this through our expertise in polymer engineering, color formulation, color science and state-of-the-art customer services. Our focus is always on customer profitability.

- Mixit Pro: Sikkens online color formula retrieval software which is easy to use and offers different reporting functions and inventory management
- Automatchic 3: Hand-held color checking device which allows you to measure the car's exact color and find the right color formula in a matter of seconds
- UV LED gun: Innovative spraying device which enables you to spray and cure Autoclear UV. It offers increased process efficiency, flexibility and energy savings
- StickerFix: The best and at the same time easiest do-it-yourself solution to mask scratches and protect the vulnerable parts of your car
- Autoclear LV Exclusive: Self-healing clearcoat which offers excellent scratch resistance and gloss retention by making minor scratches disappear when exposed to (sunlight) heat
- In Aerospace, clear over base exterior livery technology reduces weight as well as throughput time, saving in maintenance costs and fuel costs.

Operational excellence

Health and safety

At all our sites we focus on safety by continuous improvement of installations, behavioral safety training, self-assessment and auditing.

Supply Chain

Integrated supply chain with worldwide coverage supported by standardized sales and operational planning tools providing high customer service levels and standardized product performance.

Margin and pricing management

Systems are in place to detect and control margin leakage and to identify opportunities to enhance margins.

Color science

Our own color development centers and a globally accessible color database provide a perfect color match for any customer anywhere in the world.

Top raw materials

- Colored pigments
- Isocyanates, resins

Price drivers

- Metals, base chemicals prices
- Oil, energy prices

¹ Based on external sources and company estimates

Industrial Coatings

From food and beverage cans, cell phones to building products, AkzoNobel's industrial coatings enhance and protect thousands of products made from steel, aluminum and plastic. Our coatings are renowned for their high performance and trend-setting looks.

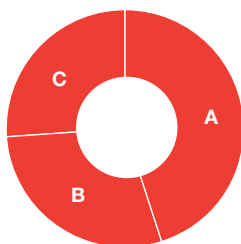


Conrad Keijzer Managing Director

Geo-mix revenue by destination in %

A Europe (includes Middle East and Africa)	45
B Americas	29
C Asia Pacific	26
	100

Shown as percentage of 2009 revenue



Industrial Coatings in the world



- Manufacturing location
- R&D and design location

Market positions

	EUROPE	AMERICAS	ASIA PACIFIC	GLOBALLY
Coil and Extrusion Coatings	1	3	2	1
Specialty Plastics Coatings	–	–	–	1
Packaging Coatings	1	2	3	2

Our most important brand



Some of our customers

Apple	Crown
Arcelor Mittal	Estée Lauder
Ball	Impress
Bluescope	Nokia
Corus	Rexam

- Revenue €725 million
- 2,240 employees, active in more than 50 countries
- Coil and Extrusion Coatings, Specialty Plastics Coatings and Packaging Coatings

Market and business characteristics

Coil and Extrusion Coatings

- Global market size is €2 billion¹
- Coatings for metal building products (commercial and residential), home appliances and automotive components
- Strongly dependent upon construction activity which represents two-thirds of the market
- Strong market growth in China, South East Asia, India and Eastern Europe as infrastructure and personal wealth develops across these regions
- New applications in this area are roofing and auto OEM.

Specialty Plastics Coatings

- Global market size is €2 billion¹
- Coatings and film for consumer electronics, cosmetic packaging, automotive components and sporting goods
- Market growth driven by consumer buying power, technology advancements, high growth markets and low cost electronic infrastructure (wireless for cell phones and computers)
- Market characterized by personalization, style and technology choices.



Packaging Coatings

- Global market size €1.5 billion¹
- Coatings for beer and beverage cans, food cans, caps and closures and general line cans
- Our internal coatings provide the ultimate in product resistance, flexibility and adhesion. Our external coatings protect the outside of the can body, while retaining the attractive appearance of the finished cans
- The Aqualure range of internal waterborne coatings is providing highest levels of protection. The Aquabase range of external waterborne coatings enhances the appearance of the can
- Our commitment to R&D has led to the introduction of waterborne coatings, UV curable products and powder coating for diverse applications
- The beer and beverage can market follows GDP and is impacted by global entertainment events (e.g. football championships) which can boost the demand for canned drinks
- The food can market follows basic food consumption, the yield of the crops in the main agricultural regions and the fishing output.

Strategy

- Organic growth with focused geo penetration in China, Eastern Europe, Middle East and South America
- Strategic marketing and innovation excellence
- Excellence in key account management
- Continuous alignment and engagement of the entire new organization
- Improving people capabilities.

High growth markets

- China is the focal point for our Asia Pacific activities. We are well positioned for growth in this critical market through expanded production facilities, a new regional R&D center and a dedicated team of employees
- India is an important growth market and expansion is going ahead in Bangalore to serve this region
- Brazil continues to be an investment focus for all our market sectors and we are capitalizing on these opportunities through our São Paulo plant.

Innovations

Innovation is the key to long-term partnership with our customers.

We design and develop products that bring new sales and performance opportunities to our customers and end-users.

- “Cool Roof” heat reflective and extremely durable CERAM-A-STAR coil coatings for roofing
- Vitalure 740, a product line consisting of an interior coating and side seam stripe for paint cans launched in Latin America. The can liner protects the steel can from corrosion by the paint and will extend the “best by” time limit for the paint by 50 percent.
- FlexPress 3D transfer printing on plastic parts.

Operational excellence

Sales and operational planning

By implementing a well-conceived sales and operational planning process we are able to ensure high customer satisfaction with a reliable and sustainable supply and with reduced costs and efficiently managed working capital.

Health, safety and environment

We have established a globally standardized safety approach which includes intensified training programs, active involvement of all employees to highlight any unsafe activities or working conditions, and regular safety audits at all sites.

Operations

The higher automation rate combined, with improved process control in almost all sites, enhances the dosing accuracy and the product quality. Energy reduction programs are being implemented at all locations.

Top raw materials

- Polyester resins
- Epoxy resins
- Glycol, ether and aromatic
- Titanium dioxide

Price drivers

- Basic feedstock prices
- Oil/gasoline/naphtha/natural gas prices

¹ Based on external sources and company estimates

Wood Finishes and Adhesives

AkzoNobel is the world's predominant supplier of industrial wood finishes and adhesives. Our innovative products offer sustainable solutions for the bonding, protection and decoration of everything wood.

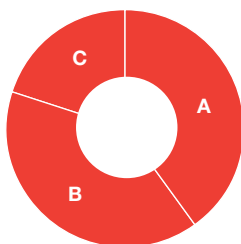


John Wolff Managing Director

Geo-mix revenue by destination in %

A Europe (includes Middle East and Africa)	40
B Americas	40
C Asia Pacific	20
	100

Shown as percentage of 2009 revenue



Wood Finishes and Adhesives in the world



- 21 manufacturing locations, including ten R&D Centers
- Research Centers

Market positions

	EUROPE	AMERICAS	ASIA PACIFIC	GLOBALLY
Finishes	1	1	1	1
Adhesives	2	4	3	3

Strong brands from our portfolio



Some of our customers

IKEA
Jeld-Wen
Lacquercraft

Masco
Stora Enso Timber
Swedwood

- Revenue €684 million
- 3,770 employees, active in 40 countries
- Wood Finishes, Wood Adhesives and Board Resins

Leading OEM manufacturers of cabinetry, furniture, flooring and building products rely on our stains, glazes, clear coats and primers for lasting beauty and protection, with a reduced impact on the environment.

Manufacturers of wood products also rely on AkzoNobel's market-leading wood adhesives and board resins as the bonding agents in engineered wood and laminates. These products are used to make furniture, cabinetry, flooring and constructive wood components such as I-beams and window frames.

Market and business characteristics

- Our new Wood Finishes and Adhesives business places an increased focus on the wood industry, which will enable us to leverage customer contacts and market positions, improving our outlook for growth in key markets
- In the wood industry, all segments were adversely impacted by the dramatic contraction of demand resulting from the global economic downturn
- Our focus during that time was reducing costs, rationalizing global capacity and managing margins, balanced with maintaining a high level of quality, innovation and service to our customers
- The markets in the mature regions are now stabilizing and in the high growth countries, growth is returning.



Wood Finishes

- Global market size is €3.5 billion¹
- Coatings for wood furniture, kitchen cabinets and wood building products (flooring, paneling, windows, doors and exterior siding)
- Market strongly influenced by building activity, consumer confidence and GDP
- Labor rates affect global industry reallocation of products with high labor content (i.e. furniture).

Wood Adhesives and Board Resins

Global market size is €1.8 billion¹

- Provides innovative combinations of adhesives and application equipment to meet the specific production requirements of the wood working industry (furniture, flooring, structural elements and wood panels)
- Market development is dependent upon building activities, consumer confidence and GDP.

Strategy

We want to improve our customers' profitability through value-added products and services and migrate, change and innovate with our customers, faster than our competitors. We plan to invest in growth in high growth markets, manage performance in mature markets and drive to the low cost position.

It is our goal to grow organically and selectively acquire businesses that can be leveraged globally or that strategically strengthen our position in key markets. We strive to run a socially responsible business encompassing People, Planet and Profit.

High growth markets

- China is the focal point for our Asia Pacific activities. We are poised for growth in this vital market, with well positioned production facilities and further investments to expand the regional R&D center. These efforts, led by a talented team of employees, have enabled us to penetrate new markets in the region
- Eastern Europe is an important developing market for Wood Finishes and Adhesives. We are committed to expanding our capacity, distribution channels and support capabilities to underpin our business growth objectives
- Brazil: We are looking to capitalize on the growth opportunities that a stronger Brazil is providing. Our Sao Paulo plant provides us with a solid foundation to support these ambitions
- Vietnam remains a critical growth market for the Wood Finishes and Adhesives business and we are investing in additional capacity to support our growth plans
- Total sales in high growth markets are 35 percent.

Innovations

We design and develop products that exceed customer expectations, satisfy regulations and provide sustainable solutions for our society.

- Bio-renewable and sustainable wood adhesives achieve significant reductions in formaldehyde
- A new application process for wood adhesives increases customer productivity and minimizes hazardous waste generation
- Patent-pending coatings combine solvent and waterborne technologies to significantly reduce VOCs, while maintaining desired solvent-borne performance
- Advancements in radiation and waterborne coating technologies reduce solvent emissions by 80-90 percent.

Operational excellence

Customers

We strive for customer service excellence by precisely matching customer needs in logistics, products and compliance. Awards from key customers – including WoodMark and Masco – acknowledge our success.

Capital utilization

We continuously upgrade our factories in existing markets and plan for new factories or expansions in high growth markets.

Products

We design and develop products with both customers and society in mind – coatings and adhesives with outstanding aesthetics and physical properties that also comply with regulations and have a reduced impact on the environment. A recent award naming AkzoNobel as Brazil's best industrial paint manufacturer exemplifies the success of our efforts.

Top raw materials

- Solvents, titanium dioxide, pigments, nitrocellulose

Price drivers

- Crude oil prices
- Propylene prices
- Feedstock supply capacity
- Construction demand

¹ Based on external sources and company estimates

Powder Coatings

More businesses around the world are switching to our powder coatings. We're the world leader in powder coatings technology and the market leader in supplying the appliance, architectural, automotive, furniture, IT and general industrial markets. The Functional sub-business is maintaining its outstanding performance and is establishing a global footprint.

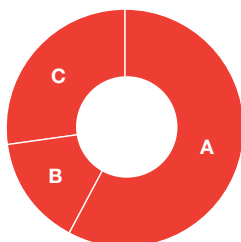


Rob Molenaar Managing Director

Geo-mix revenue by destination in %

A Europe (includes Middle East and Africa)	58
B Americas	15
C Asia Pacific	27
	100

Shown as percentage of 2009 revenue



Powder Coatings in the world



- Manufacturing locations
- R&D locations

Market positions

	EUROPE	AMERICAS	ASIA PACIFIC	GLOBALLY
Powder	1	1	1	1

Strong brands from our portfolio



Some of our customers



- Revenue €597 million

- 3,470 employees, manufacturing in 28 countries

Market and business characteristics Powder Coatings

- Global market size is €5 billion¹
- End markets are architectural, automotive, appliance, functional, furniture, general industrial and general trade coaters
- Market growth driver:
 - Global GDP growth – especially Asia and Eastern Europe
 - Product performance: tough, durable and attractive coatings, low application costs, distinctive technical performance
 - Environmentally attractive – negligible emission of VOCs, low energy usage and little waste
 - Appearance – unique special effects.

Strategy

- Consolidate global leadership position
- Anticipate geographical market movements and concentrate investment in high growth markets by building local plants to meet local needs
- Build leadership positions in high added value segments
- Maintain a significant position in bulk commodities and leverage global leadership to achieve lowest product costs
- Invest in technology development to create new powder markets e.g. MDF, wood, plastic and automotive body coatings
- Deliver co-ordinated global service to meet the needs of global customers.

¹ Based on external sources and company estimates



Sustainable excellence

Powder coatings is the leading green coating technology. The emission of volatile organic compounds (VOCs) into the atmosphere is a major environmental issue and could cause damage to the ozone layer and are ever more strictly controlled. Powder coatings emit negligible (VOCs) either in production or application.

We have successfully launched the following innovations:

- Dry-on-dry primer and basecoat systems
- Automotive solid color topcoats
- High clarity, low temperature cure clearcoats for alloy wheels
- Thin film coatings using patented Particle Management Technology
- Technology for wood and plastic coating
- Anti-corrosive powders increasing lifetime of structures.

Innovations

Dry-on-dry primer basecoat system

- Eliminates a complete step in the baking cycle
- Reduces application costs and energy consumption
- Used on Chrysler Dodge Ram pick-up
- First ever passenger car coated with a powder basecoat.

Automotive solid topcoat

- Used by Tata Motors on their ACE commercial vehicles
- First ever powder topcoated commercial vehicle.

Particle management technology

- Adds value by cutting consumption, at higher per kilogram powder prices.

Color mixing

- Mixing of powder coatings like liquids to produce colors rapidly.

Long-life coatings

- First with large scale commercial fluoropolymer powders for exterior coatings
- Unique non-zinc anti-corrosion primers.

Operational excellence

Single “virtual” European factory

- Local presence for rapid service and supply, delivering made-to-order products on three-day lead time
- Stock products concentrated at specialist European centers, delivering lowest cost manufacturing.

Achieving market leadership in China while maintaining lowest operational costs

- Tight operational management and lean organization structure
- Continuous investment in production capacity to match market growth.

Multiple channels to market

- Centralized national distribution to large users
- Localized captive distribution and mixing plants for small users
- Agents and third party distributors in new territories and those below critical mass.

Top raw materials

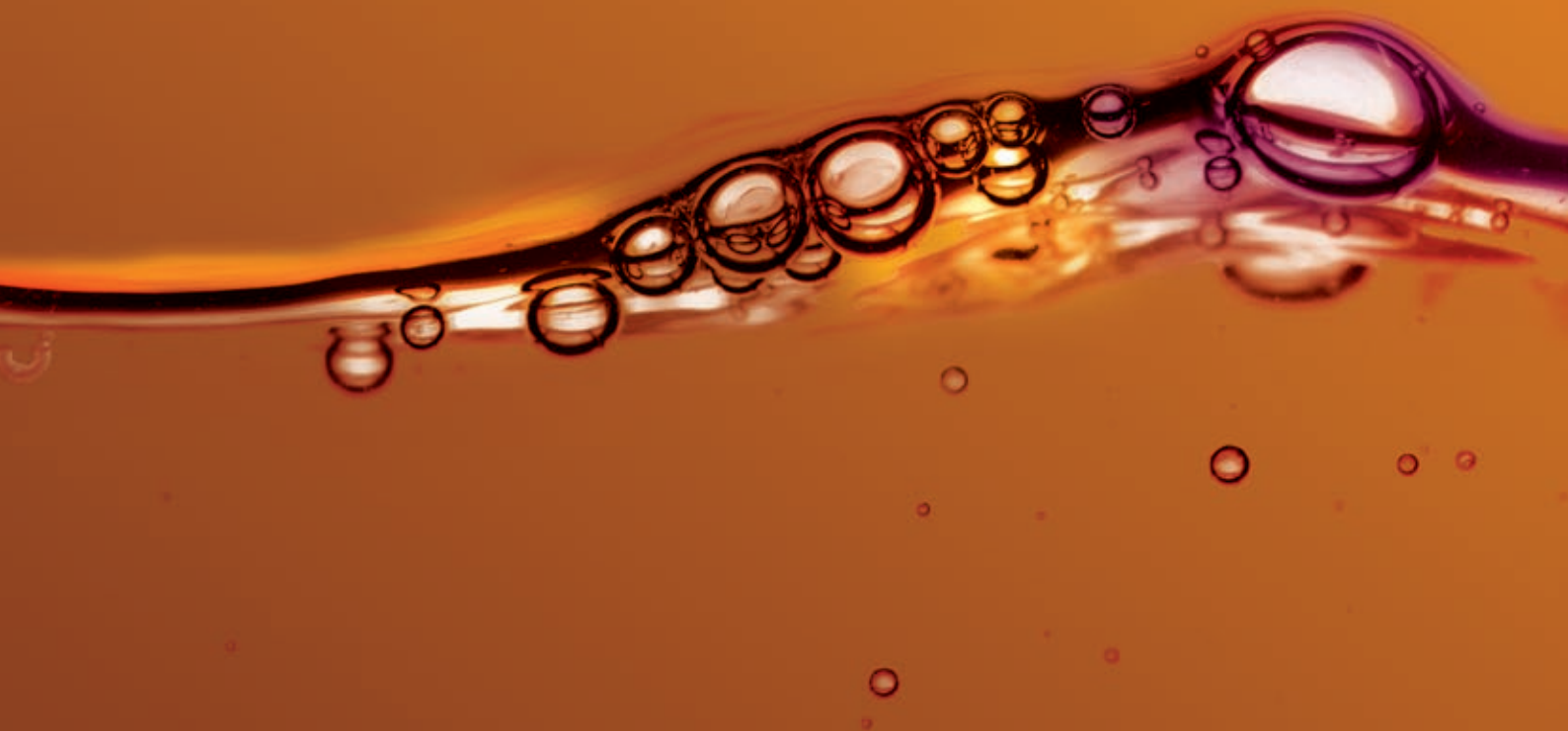
- Polyester and epoxy resins
- Titanium dioxide

Price drivers

- Gasoline/naphtha prices

Specialty Chemicals

Functional Chemicals
Industrial Chemicals
Pulp and Paper Chemicals
Surface Chemistry
Chemicals Pakistan



As a major producer of specialty chemicals with leadership positions in many markets, we make sure that industries worldwide are supplied with quality ingredients for life's essentials.

- 2009 revenue €4.4 billion
- 2009 EBITDA €738 million*
- 11,140 employees at year-end 2009

* Before incidentals

The operational performance of our Specialty Chemicals business is among the best in the industry. As a result, our products appear in a remarkable variety of items we all use every day. In fact, they're essential in everything from ice cream to asphalt, soup to soap and plastics to paper. There are more than 2,000 items in our portfolio. We've grouped these into five businesses: Functional Chemicals, Industrial Chemicals, Pulp and Paper Chemicals, Surface Chemistry and Chemicals Pakistan.

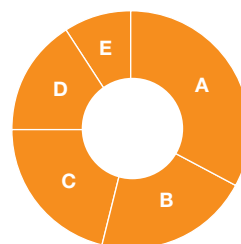
Our business is global with 32 percent of revenue coming from high growth markets, while investments such as our new Ningbo site in China prove our commitment to continuing to grow in these markets.

We have a strong focus on technology and R&D and continue to invest in new products and solutions for our customers. The success of our GLDA green chelate is just one example of how this is paying off.

Safety is key to our performance and we are proud to say that our trend continues to show improvement.

2009 revenue breakdown by business unit in %

A	Functional Chemicals	33
B	Industrial Chemicals	21
C	Pulp and Paper Chemicals	21
D	Surface Chemistry	16
E	Chemicals Pakistan	9
		100



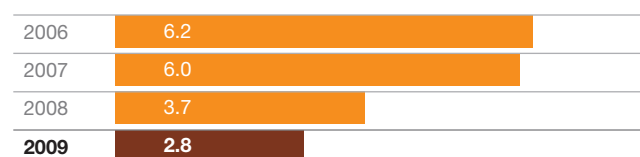
Product: Eco-premium solutions as % of sales



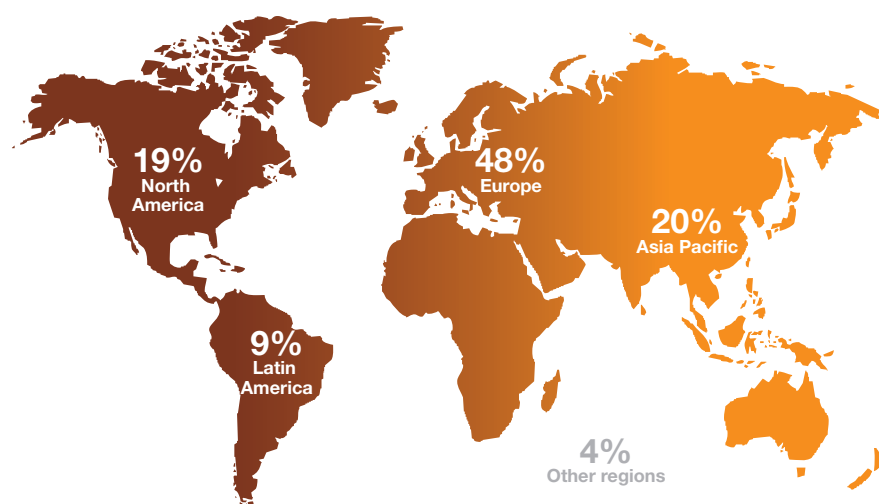
Key value chains with carbon footprint assessment



Total reportable rate of injuries per million hours



Specialty Chemicals 2009 revenue by destination in %



Functional Chemicals

Functional Chemicals has strong worldwide positions in a variety of chemical intermediates, formulation ingredients and process aids that serve a broad range of industries, including: paints, detergents, automotive parts, agricultural products, building materials, pharmaceuticals, foods, adhesives, plastics and cosmetics.

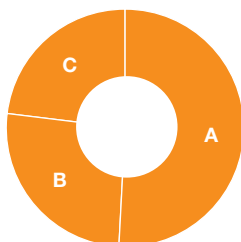


Bob Margevich Managing Director

Geo-mix revenue by destination in %

A Europe (includes Middle East and Africa)	51
B Americas	26
C Asia Pacific	23
	100

Shown as percentage of 2009 revenue



Functional Chemicals in the world



- 38 manufacturing locations
- Six R&D locations

Market positions

	EUROPE	AMERICAS	ASIA PACIFIC	GLOBALLY
Cellulosic Specialties	2	3	4	3
Chelates	1-2	2	1	1
Cross-Linking Peroxides, Thermoset Chemicals and Polymer Additives (XTP)	1	1	1	1
Elotex	2	2	2	2
Ethylene Amines	1	3	2	1-2
High Polymers	1-2	1-2	1	1-2
Salt Specialties	2*	–	–	–
Sulfur Derivatives	1	1	4	1

* North West Europe

Strong brands from our portfolio

AKUCCELL®

Butanex

ELOTEX®



Some of our customers

Dow
BASF
Yara
Fenzi

FMC
Warwick
Lyondell-Basell
Henkel

- Revenue €1,479 million
- 3,940 employees, active in more than 100 countries
- Cellulosic Specialties, Chelates, Cross-Linking Peroxides, Thermoset Chemicals and Polymer Additives, Elotex, Ethylene Amines, High Polymers, Salt Specialties, Sulfur Derivatives

Market and business characteristics

Cellulosic Specialties

- Global market size €1.1 billion¹
- Global supplier of two product lines: Bermocoll and Carboxy Methyl Cellulose (CMC)
- Bermocoll is a range of non-ionic cellulose ethers used in paint and building applications
- CMC is an industrial and pharma/food grade of anionic cellulose ethers
- Market growth is determined both by the growth of the applications in which they are used and by the rate of substitution of solvent-born systems by waterborne products in paint applications.

Chelates

- Global market size €510 million¹
- Chelating agents are used in a number of applications; they control the behavior of metal ions in water, a property used in industrial cleaning and pulp bleaching. They are also used for "controlled dosing of metal ions" in applications such as micronutrients for plants and to address iron deficiency in humans and animals
- Growth of the chelates market follows overall GDP. A broad variety of chelates are offered to the market to deliver tailor-made performance in different market niches.

Cross-Linking Peroxides, Thermoset Chemicals and Polymer Additives (XTP)

- Global market size €670 million¹
- XTP produces and sells specialty chemicals to the polymer market
- Organic peroxides are used in the cross-linking of rubber, thermoplastics and elastomers



- Organic peroxides and auxiliary chemicals are used in the curing of unsaturated polyester and other composite resins
- Additives for polymers are used in the polymer compounding and processing industry
- Market growth is driven by consumer markets.

Elotex

- Global market size €810 million¹
- Elotex is a leading international producer of building material additives, supplying the ready-mixed mortar industry with high quality specialty polymers and additives
- Redispersible Powders are used in dry mix mortars to improve the adhesion and cohesion behavior of mortars in a pre-designed and high quality standard way
- Unique competence in powder technology to develop products for new segments.

Ethylene Amines

- Global market size €1 billion¹
- Ethylene Amines are the basic building blocks for a range of chemicals used in the production of many invaluable everyday products and are therefore somewhat insensitive to short-term economic cycles
- Product areas include chemical intermediates for the production of bleach activators for heavy duty detergents, textile softeners, fungicides, chelates, plastics and resins, automotive and pharmaceutical ingredients.

High Polymers

- Global market size €800 million¹
- Producer of organic peroxides and metal alkyls, used as initiators and co-catalysts in the production of polymers
- Applied in production of acrylics, EPDM, polyethylene, polypropylene, polystyrene and PVC
- Supplier of high purity metal organics for Light Emitting Diodes (LED) and solar cells industry, providing sustainable and efficient light and energy sources
- Market growth is determined by growth of plastics industry (particularly PVC), polyolefins and semi-conductor applications (LEDs).

Salt Specialties

- North West European market size €550 million¹
- Salt Specialties is one of the world's major suppliers of salt. Its salt is used in a variety of applications; from food processing to pharmaceuticals, from water softening to agriculture, from household salts to a broad variety of other industrial applications.

Sulfur Derivatives

- Global market size €370 million¹
- Global supplier of two separate product lines: Polysulfides and Sulfur Products
- Polysulfides are semi-finished liquid elastomers, used in sealants for insulating glass, aircraft fuel tanks and high-end applications in the construction industry
- Sulfur Products provide sulfur containing building blocks for various commercial processes based on Carbon Disulfide (CS₂) and its derivatives.

Strategy

- Geographical expansion – especially in China (Ningbo)
- Business opportunities
 - Green chemistry – growth in sustainable products and segments
 - Innovative products
 - Industry consolidation
- Improved asset utilization
- Benefit from restructurings, including the merger of Functional Chemicals and Polymer Chemicals.

High growth markets

High growth markets are key for growing our business. Recent investments include:

- Ningbo, a €275 million investment including infrastructure and product facilities for Chelates (2009), Ethylene Oxide (2010), Ethylene Amines (2010), and Organic Peroxides (2011).

Innovations

- Use of membrane technology to synthesize waste-free products
- Development of a new chelate, Dissolvine GL, from renewable raw materials for domestic and industrial dishwashing and others
- Bio-degradable products
- Developments in pelletizing (steel) and paper segments bringing both cost savings and sustainability advantages
- OneGrain salt technology to lower sodium content for health benefits
- Fuzebox, a sustainable technology in corrosion protection
- Continuous initiator Dosing (CiD) technology for PVC productions which reduces batch times and therefore increases output with minimal investments.

Operational excellence

- Manufacturing – all of the business' plants have conducted operational excellence programs to maximize output and to minimize costs plus reduce CO₂ emissions through reduced energy consumption
- Logistics and supply chain
- Customer intimacy, technical support.

Top raw materials

- Aluminum powder
- Ammonia, ethylene, methane, methanol and propylene
- Chloroformates/acid chlorides
- Chlorine and caustic
- Cumene, ethylene, methyl ethyl ketone and t-Butyl hydroperoxide
- Sulfur
- Salt

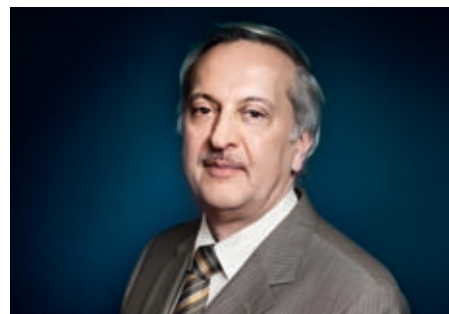
Price drivers

- Crude oil
- Gas
- Sulfur
- Salt
- Energy
- Commodities

¹ Based on external sources and company estimates

Industrial Chemicals

Industrial Chemicals produces salt and energy, chlor-alkali products and derivatives such as monochloroacetic acid. We are Europe's largest producer of vacuum salt and a leading supplier of chlorine, caustic lye, and monochloroacetic acid (MCA) used in the chemical, detergent, construction, food, pulp and paper and plastic industries.

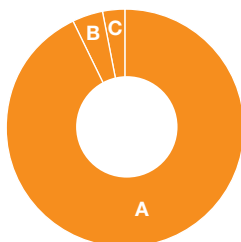


Werner Fuhrmann Managing Director

Geo-mix revenue by destination in %

A Europe (includes Middle East and Africa)	93
B Americas	4
C Asia Pacific	3
	100

Shown as percentage of 2009 revenue



Industrial Chemicals in the world



- Manufacturing plants in six countries
- Three joint ventures
- R&D

Market positions

	EUROPE	GLOBALLY
Caustic (merchant)	1	
Chlorine (merchant)	1	
MCA		1
Salt (chemical transformation)	1	

Our most important brand



Some of our customers

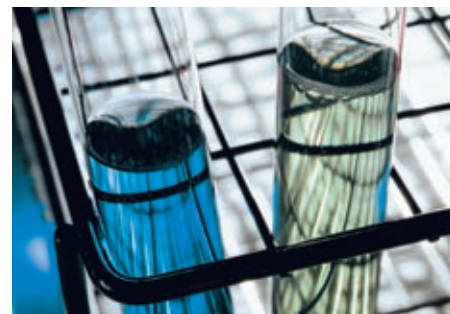
Bayer
Huntsman
Shin-Etsu

- Revenue €949 million, excluding joint ventures
- 1,820 employees, manufacturing plants in six countries
- Chlor-Alkali, Energy, Monochloroacetic Acid, Salt

Our products are essential in daily life and are used in the manufacture of, among others, vehicles, glass, pharmaceuticals, textiles and disinfectants. Cogeneration units, partly operated jointly with a Dutch energy company, enable us to make efficient use of combined heat and power to assist in the production of vacuum salt and chlor-alkali products.

Market and business characteristics Chlor-Alkali

- European market size is about 11 million¹ tons of chlorine
- European market size for caustic lye is about 12 million¹ tons
- Chlorine is used for the production of construction materials, car components, pharmaceuticals. The business has a healthy spread of downstream applications in PVC (window frames, pipes), polyurethanes, epoxies and a number of specialty applications
- Caustic lye is a widely used alkali in the chemical, pulp and paper, textile, food and mineral industries
- Chloromethanes include a range of products, which are widely used, e.g. for pharmaceuticals and agrochemicals, silicones, methyl cellulose, surfactants, water treatment chemicals, refrigerants and fluoropolymers



- Management of chlorine in chemical clusters is based on state-of-the-art technology and pipeline connection with customers
- Water treatment chemicals for waste/drinking/cooling water treatment and sodium hypochlorite for cleaning, bleaching, disinfection
- Focused team to collect, upgrade, sell hydrochloric acid and hypochlorite built on efficiency, quality and service.

Two tier growth model



Monochloroacetic Acid

- Global market size is about 600 kt¹, expected to grow especially in Asia
- China is by far the fastest growing market
- MCA is an intermediate used for a variety of end products such as thickening agents (for use in oil and mining industries, food, personal care and detergents), agro chemicals, surfactants, adhesives, pharmaceuticals and cosmetics
- Our technology allows cost-effective production of high purity MCA coupled with the lowest environmental footprint available in the market.

Salt

- Focused on vacuum salt
- Main applications in chemical transformation (CT) for the production of chlorine/caustic lye and salt specialties (captive)
- The business is market leader in the CT segment in Europe and provides an ultra pure salt type ready to be used in chlorine production
- The business has a strong captive position in salt specialties (industrial, consumer).

Strategy

- Focus on operational excellence
- Cost leadership (efficiency, innovation)
- Maintain/attain market leadership.

Innovations

Our innovation has a clear focus on sustainability. Our list of recent product and process developments is a proof point of this:

- Biomass as alternative fuel (Mariager)
- Fuel cell pilot plants in Delfzijl and Bitterfeld
- Remote controlled chlorine units
- Secondary use of salt caverns (storage of gas, nitrogen, oil)
- Pharma grade quality products (ferric chloride, salt)
- High concentration products (hypochlorite)
- Benign, biodegradable anti-caking agent for salt.

Operational excellence

Safety

Focus on health, safety and environment is an integral part of how we do business. As a responsible manufacturer and supplier, we meet and often surpass industry standards. We are dedicated to preserving the environment and to being a responsible community member.

An integrated business model

Our integrated business model includes both internal and external customers. It all starts with energy, which counts for about 80 percent of the raw material used. By means of cogeneration, gas is converted into steam and electricity. The steam and the brine are used to produce salt. Salt and electricity eventually result via electrolysis in chlorine, caustic and hydrogen.

Top raw materials

- Fuels (for cogeneration)
- Power
- Acetic acid

Price drivers

- Oil, gas and coal prices
- Methanol prices

¹ Based on external sources and company estimates

Pulp and Paper Chemicals

Pulp and Paper Chemicals, which trades as Eka Chemicals, is the world's leading producer of bleaching chemicals used in the manufacture of paper pulp. Eka supplies process chemicals and performance chemicals that improve the properties of paper, as well as systems and integrated services for the pulp and paper industry.

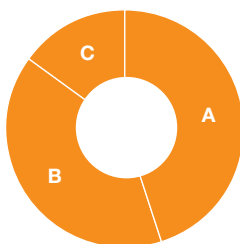


Jan Svärd Managing Director

Geo-mix revenue by destination in %

A Europe (includes Middle East and Africa)	45
B Americas	40
C Asia Pacific	15
	100

Shown as percentage of 2009 revenue



Pulp and Paper Chemicals in the world



• Manufacturing locations

Market positions

	EUROPE	AMERICAS	ASIA PACIFIC	Globally
Bleaching chemicals	1	1	1	1
Paper chemicals	Strong positions in relevant segments			

Strong brands from our portfolio

eka

Some of our customers

App
Fibria
Stora-Enso

- Revenue €935 million
- 2,570 employees, locations in 28 countries
- Pulp and Paper Chemicals, Specialty Products

Market and business characteristics

Eka Chemicals also produces specialty chemicals, having synergies in our pulp and paper business, with applications in areas such as water treatment, explosives, coatings and the pharmaceutical industry.

Pulp and Paper Chemicals

- Eka Chemicals is the global market leader in bleaching chemicals for pulp manufacturing and performance chemicals for paper production
- For relevant segments, mainly process and functional paper chemicals and bleaching chemicals, the global market is around €9 billion¹
- Paper and board consumption is driven by growth in high growth markets with more than 60 percent of new capacity expected in China. Globally, printing papers are negatively influenced by new technology. Low profitability is driving restructuring of the industry in Europe and North America
- Pulp production is moving to regions with fast growing plantation based species
- Cost increase (fiber, energy), environmental issues, increased use of recycled fibers and larger and faster machines drives demand for innovative chemistry and new products.

¹ Based on external sources and company estimates



Specialty products

Businesses with leading positions, creating synergies with our pulp and paper chemicals, representing approximately 15 percent of our turnover.

- EXPANCEL (expandable thermoplastic microspheres) with a variety of applications
- Separation products. KROMASIL – purifying of pharmaceuticals
- PERMASCAND – equipment for electro-chemical and other advanced industries
- Industrial Specialties. Leading in colloidal silica and high purity alkali for pharma, food and electronic industry
- PURATE – small scale chlorine dioxide water purification replacing biocide and non-wood bleaching.

Strategy

Different regions demand different strategies

- In all markets
 - Growth by development of innovative chemicals from a solid platform
- Mature markets
 - Traditional paper and board markets (North America, Western Europe, Japan, South Korea). Currently enhanced major asset restructuring and cost reductions in the supply chain for mature markets
- High growth markets
 - Regions with growth in paper demand (China, South East Asia, Brazil). Growth investments in paper chemical plants and in technical support organization for customers in development
 - Regions with readily available fiber raw materials (South America, Indonesia, Russia)
 - Growth investments in bleaching chemical plants and technical support in value chain – Chemical Island concept.

Critical success factors

Improve our customers' cost position by partnership, by addressing – in a sustainable way.

- Fiber yield
- Energy consumption
- Capital utilization and improvement of the value of customers products
- Water management
- Supply chain structuring.

Development of new systems and products by innovative chemistry from a solid platform. Implementation of modern industrial IT to eliminate costs and improve efficiency in the value chain.

High growth markets

- High growth markets constitute around 25 percent of Eka's pulp and paper chemicals business
- Long-term growth opportunities are in expanding pulp industry in South America due to low cost fiber supply and modern efficient mills and in expanding paper industry in Asia due to growing economies, particularly China
- Major investments are in Chemical Island installations and in paper chemicals in Asia, primarily China. More than €100 million in recent years.

Innovations

Through our continuous, focused research and development, we aim to remain the most cost-effective supplier of bleaching and paper chemicals worldwide. We are also committed to supplying world class expertise on manufacturing processes for all kinds of wood fibers, including eucalyptus, bagass and various regional fibers. We file for around 20 patents yearly. Some of our recent innovations include:

- New bleaching sequence reducing energy consumption
- New water treatment technology replacing traditional biocides
- The Chemical Island concept
- Remote monitoring of chemical plants
- Retention concept (Compozil Fx) which is used in seven of the ten largest paper machines at global level.

Operational excellence

- Chemicals management services to the customers' mill: Use of modern industrial IT to reduce costs and improve efficiency in the value chain
- Remote monitoring and control of chemical production and usage at customer sites, from Vendor Managed Inventory (VMI) and on-site production, to full responsibility for a mill's total chemical supply (Chemical Island concept).

Top raw materials

- Energy
- Salt and rosin
- Polymers

Price drivers

- Energy prices and logistic costs
- Power costs (electricity)

Surface Chemistry

We develop, manufacture and market a unique spectrum of specialty surfactants and polymers. Our products are used in everything from agricultural chemicals and personal care products to industrial applications.

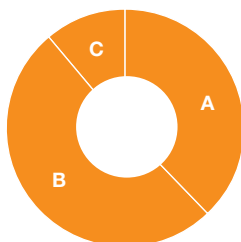


Frank Sherman Managing Director

Geo-mix revenue by destination in %

A Europe (includes Middle East and Africa)	38
B Americas	51
C Asia Pacific	11
	100

Shown as percentage of 2009 revenue



Surface Chemistry in the world



- 13 manufacturing locations
- Six R&D locations
- Four regional headquarters

Market positions

	EUROPE	AMERICAS	ASIA PACIFIC	GLOBALLY
Industrial	1	2	2	1
Agricultural	1	1	1	1
Home and personal care	3	3	5	3

Strong brands from our portfolio

Armeen	Amphomer
Arquad	Naviance
Berol	Alcogum
Morwet	Alcosperse

Some of our customers

Elementis	Potash Corporation of Saskatchewan
GE	Unilever
Monsanto	
Procter & Gamble	

- Revenue €701 million
- 1,480 employees, active in 50 countries
- Surfactants, synthetic polymers and biopolymers
 - 45 percent of sales from eco-premium products
 - Leadership positions in attractive market segments

We develop, manufacture and market a unique spectrum of specialty surfactants and polymers. These products are used in consumer product and industrial applications.

Surface science expertise is combined with deep application knowledge to provide sustainable solutions and deliver value added formulation ingredients and process aids to our customers.

Market and business characteristics

Agricultural chemicals

- Market size approximately €1 billion¹
- Inert additives that act as adjuvants, dispersants and emulsifiers for herbicide, fungicide and insecticide formulations
- Growth drivers include biotechnology, biofuels, environmental regulations, farming efficiency, water management and population growth
- Market highly concentrated to a few global and several regional agro-chemical formulators.

Household and institutional cleaning

- Market size €1.8 billion¹
- Active ingredients for fabric care, hard surface cleaning, disinfectants, carpet cleaners and other formulated products
- Growth drivers include sustainable chemistries, environmental regulations, lower cost benefits and rising disposable income in high growth countries



- Market is concentrated in a few global consumer and institutional cleaning companies. Mega retailers driving cost out of the supply chain. Differentiation based on greener products, sensory benefits and consumer convenience.

Personal care

- Market size €4 billion¹
- Functional ingredients for hairspray, hair styling, skin care, sun care and cleansing
- Growth drivers include rising disposable income in high growth countries, natural actives, anti-aging and sensory benefits
- Highly concentrated market with 70 percent of the market served by 15 global companies.

Petroleum and water treatment

- Market size €1.5 billion¹
- Functional additives for oilfield drilling, production and stimulation, fuel and lubricant additives and water conditioning
- Growth drivers include crude oil and natural gas prices, green chemistry, offshore deep-well drilling, secondary oil recovery, lower auto emissions and fuel efficiency
- Highly cyclical markets with a complex supply chain (chemical suppliers > formulators > service companies > end users).

Various industrial applications

- Market size €1 billion¹
- Process aids and chemical intermediates for mining, asphalt road paving, textiles, coatings and chemical intermediates
- Growth drivers include infrastructure investment (roads, housing, coatings), crop fertilizers, renewable feedstocks, reduced energy and water use, population growth and emerging technologies (nanoparticles, ionic liquids, supraconductors)
- Diverse mix of market characteristics and applications, encompassing performance chemicals delivering a function (e.g. mining, coatings, asphalt applications) and specification products delivering a molecule (e.g. chemical intermediates).

Strategy: growth, innovation, and high performance

Drive growth by

- Targeting niche applications in attractive markets
- Promoting sustainable solutions
- Investing in developing regions, where our customers are growing
- Pursuing external business development (e.g. M&A, licensing, alliances, etc.).

Drive innovation by

- Leveraging technology platforms and product families across multiple market segments
- Exploiting unique surfactant-polymer technology synergies.

Drive high performance by

- Leveraging AkzoNobel scale and market synergies
- Optimizing matrix organization to deliver customer value
- Increasing diversity and investing in our people.

Developing regions

Recent investments in developing regions

- Specialty polymers manufacturing plant – Shanghai
- Acquisition of IAAS (adjuvant tank mix applications) – emerging opportunities in Eastern Europe
- Personal care and asphalt applications laboratory in Mumbai, India
- Surfactants and polymers laboratory in China technical center – Shanghai
- Asphalt labs in Brazil, China and former CIS countries.

Innovations

Leveraging unique chemical expertise, process technology and application know-how, we provide market and customer solutions with a focus on sustainability.

Examples include:

- Household cleaning – Biodegradable, aqueous cleaning formulations reducing use of organic solvents
- Personal care – Biopolymer-based hair gels
- Fabric care – Biodegradable polymer improving the efficiency of fabric softeners
- Asphalt roads – Lower temperature formulations reducing energy consumption and VOC emissions
- Oilfield – Biodegradable hybrid polymers oilfield drilling additives for corrosion inhibition and dispersion
- Proprietary glyphosate adjuvants – Increased efficacy and concentration of glyphosate herbicides.

Operational excellence

- World class technology and global manufacturing supply chain
- Backward integration of key building blocks (EO, fatty acid, nitrile amines)
- Strategic supply relationships for key raw materials
- Deep surface chemistry expertise and application know-how
- Leader in sustainable products and operations processes.

Raw materials

- Animal fats and vegetable oils,
- Starch (corn, potato, tapioca)
- Ethylene oxide
- Acrylates
- Alcohols

Price drivers

- Biofuels and food prices
- Ethylene prices
- Propylene prices
- Oil and gas prices

¹ Based on external sources and company estimates

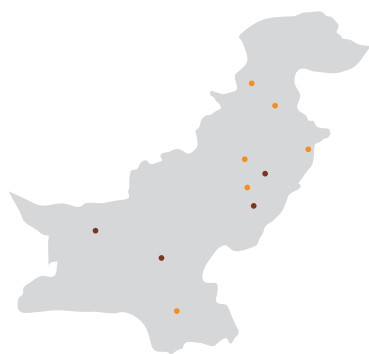
Chemicals Pakistan

Chemicals Pakistan, along with the Industrial and Refinish coating segments, operates under the umbrella of ICI Pakistan Limited, a listed company in Pakistan with 75.8 percent of shares held by AkzoNobel.



Waqar A Malik Chief Executive ICI Pakistan

Locations Chemicals Pakistan



- Regional offices
- Business offices and warehouses

Market positions

BUSINESS	
Polyester	3
Soda Ash	1
Life Sciences	
Pharmaceuticals	21
Animal Health	3
Seeds	2
Chemicals	
General Chemicals (Trading House)	2
Specialty Chemicals	3
Decorative Paints	1

Strong brands from our portfolio

Dulux

International

sikkens

PAINTEX

- Revenue €405 million
- 1,330 employees
- Polyester Fiber, Soda Ash, Life Sciences, Chemicals and Decorative Paints

The company focuses almost exclusively on Pakistan. The main areas of expertise include soda ash, polyester fiber, pharmaceuticals, animal health and agriculture products, decorative paints and a host of specialty chemicals. With a diversified product range, practically every key industry in Pakistan is serviced, prominent among which are textile, construction, pharmaceuticals, personal care, food and beverage, agriculture and household appliances.

Market and business characteristics Polyester fibers

- Market size €560 million¹
- Polyester Staple Fiber (PSF), is a man-made fiber widely used in the textile industry in the production of blended yarn, fabrics and clothing. Other applications include the use of PSF in bedding and bed linen, filler, carpets and tents
- Ranked second in the Industry
- Current capacity of Polymer is 130 ktpa and PSF 128 ktpa
- The business provides customers which unmatched technical support and has strong manufacturing performance indicators which rival the best in the industry.

Soda Ash

- Market size €85 million¹
- Soda Ash is a prime raw material used in the manufacture of glass, soaps, detergents, paper silicates and textiles. Construction, hygiene, packaging and the paper industry are the key drivers of growth
- With a capacity of 350 ktpa, the business is the leading manufacturer of soda ash in Pakistan and has continuously expanded and modernized to retain its market leadership position.

Life Sciences

- Market size €1.2 billion¹ (pharmaceuticals €1.1 billion¹, animal health €75 million, seeds €29 million)
- The Life Sciences business comprises four segments: Pharmaceuticals, Animal Health (veterinary and poultry medicine, feed for livestock), Seeds (sunflower, fodder and corn) and the newly launched Vegetable Seeds segment. Each has a portfolio of leading brands that are both imported and locally toll manufactured.

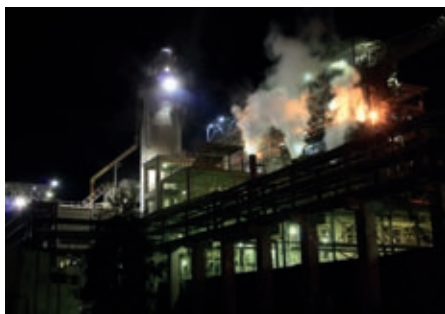
Chemicals

- Market size General Chemicals €1.7 billion¹, Specialty Chemicals €10 million¹
- Specialty Chemicals manufactures and markets textile auxiliaries, woodworking adhesives, poly vinyl chloride adhesives and crop protection emulsifiers, while General Chemicals includes a trading house; marketing a range of industrial chemicals sourced from renowned world-wide principals, and supplies polyurethanes for the appliance industry and seating for the automotive sector. The diverse product ranges of both segments extend to almost all major industrial applications as a leading supplier.

Decorative Paints

- Market size €68 million¹ (95 million liters)
- The Decorative segment offers a wide array of water/solvent-based products. The business caters to all consumer segments, offering basecoats (primers/putty), emulsions and enamels in all tiers
- The industry leader with annual production of more than 35 million liters, the business offers a complete range of products to cater to the growing needs of the market with a primary focus on expanding and improving service levels for customers.

¹ Based on external sources and company estimates



Strategy

We aim at delivering sustainable profit through aggressive organic and inorganic growth. To do so we focus on:

- Remaining innovation focused by introducing new profitable solutions
- Expanding geographic scope (Soda Ash and Chemicals)
- Building manufacturing scale (Soda Ash)
- Enhancing channel growth and leadership (Soda Ash and Pharmaceuticals)
- Successfully incorporating AkzoNobel product offerings (Chemicals)
- Continuously striving for excellence in business operations
- Building scale for Dulux, driving value share and creating brand stretch (Decorative Paints)
- Improving profitability through focused innovation and insight driven consumer communication (Decorative Paints)
- Increasing network coverage by focusing on brand availability, visibility and channel engagement (Decorative Paints).

Innovations

Our businesses have been built on the spirit of constant innovation. Some recent successful innovations are:

Polyester fiber

- Development of a cost-effective recycled polyester fiber demanded by customers to compete in a price-sensitive segment of the market
- Reduction in packaging waste by increasing polyester bale size and removal of polyethylene wrapper without compromising on product quality.

Chemicals

- General Chemicals: A new supplier, Johnson Diversey, has been developed, heralding our entry into the food and beverage segment in a substantial way
- Specialty Chemicals: Boiler optimization has led to energy and capital advantages. Condensate recovery plan introduced at plant which will result in gas and water savings.

Life Sciences

Pharmaceuticals: Launched Glibetic, an oral combination anti-diabetic in unique bi-layered tablet form, which offers consumers a predictable dosage response. Seeds: Introduced a technique for intercropping sugarcane with sunflower to maximize utilization of available acreage.

Decorative Paints

- Developed modernized retail outlets and state-of-the-art color studios to meet international standards and offer point of sale tinting technology, advanced color selection tools and other services that ensure a better, more accurate paint selection process for customers
- Mobile Color Solution Center, a state-of-the-art Dulux-branded mobile shop, was launched to provide services similar to a premium retail outlet. It visits residential and commercial localities in large urban centers to provide products and services to our consumers literally on their doorstep
- Dulux raised the bar on service by introducing a dedicated customer services department to offer quick, easy access to a wide array of technical solutions and inspirational designs. Our toll-free helpline (0800-Dulux) is helping our customers nationwide.

Operational excellence

- Excellent Health, Safety and Environment (HSE) record
- Strong manufacturing base – best in class in operating efficiencies
- Customer focus
- Unmatched technical support
- Reputation for pioneering innovative solutions
- Channel understanding and strength.

Top raw materials

- MEG
- PTA
- Acetic acid
- Hard coke
- Raypol 4218
- Lisinopril dihydrate

Price drivers

- Oil and naphtha
- Polyethylene oxide
- USD fluctuation
- Base chemicals prices

Financial calendar

Report for the 2nd quarter 2010 July, 23, 2010

Report for the 3rd quarter 2010 October 21, 2010

Report for the 4th quarter and the year 2010 February 17, 2011

Safe harbor statement

This document 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.

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**AkzoNobel**

Tomorrow's Answers Today

www.akzonobel.com

AkzoNobel is the largest global paints and coatings company and a major producer of specialty chemicals. We supply industries and consumers worldwide with innovative products and are passionate about developing sustainable answers for our customers. Our portfolio includes well known brands such as Dulux, Sikkens, International and Eka. Headquartered in Amsterdam, the Netherlands, we are a Global Fortune 500 company and are consistently ranked as one of the leaders on the Dow Jones Sustainability Indexes. With operations in more than 80 countries, our 55,000 people around the world are committed to excellence and delivering Tomorrow's Answers Today™.

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