
Keith Nichols, CFO
Q1, May 7, 2008

**Stable performance in a testing
economic environment**



Q1 2008 highlights

Ongoing trend of underlying growth, in local currencies,
in most business areas

Autonomous growth of 6 percent offset by currency headwind

Stable results in challenging economic environment

Earnings per share of continuing operations up 6 percent

Total net income €118 mln, up €40 mln

New company, new brand, ICI integration underway



Q1 operational performance

Stable performance

€ mln	2008	Δ%
Revenue	3,506	1
EBITDA	398	(1)
EBIT	257	1
Net income	136	(4)

Ratio	2008	2007
EBITDA margin, %	11.4	11.6
EBIT margin, %	7.3	7.3
Earnings per share	0.52	0.49

Continuing operations before incidentals; 2007 pro forma



Autonomous growth of 6 percent offset by currencies

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

Versus Q1, 2007 proforma



Decorative Paints



Decorative Paints

Strong top-line growth in Asia and Latin America

Revenue down 4 percent, impacted by currency effects (-6 percent)

US business affected by weak market conditions;
US margins improved due to product mix effects and cost control programs

EBITDA margin increased to 8.8 percent, ahead of 2007



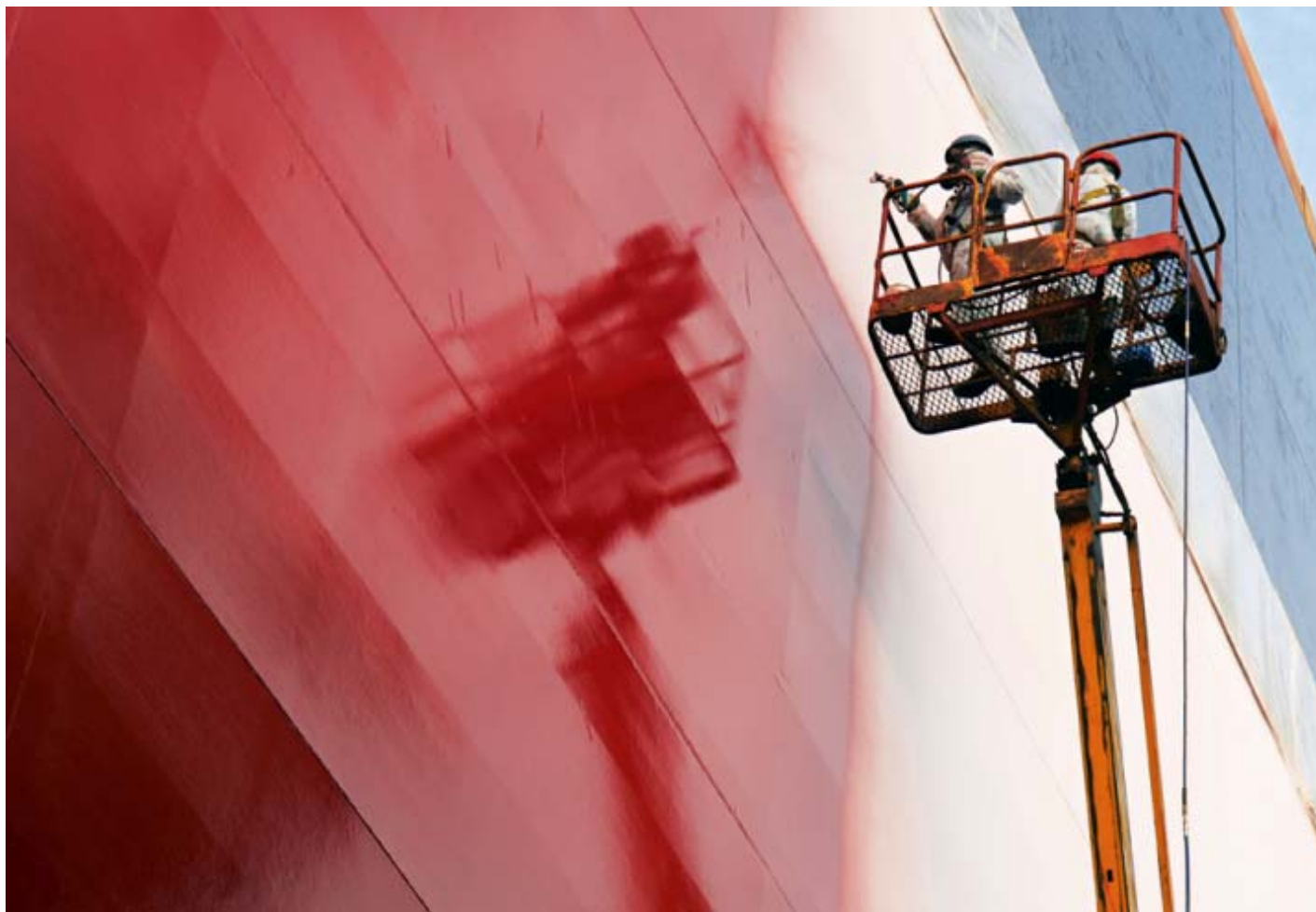
Decorative paints

€ mln	2008	Δ%
Revenue	1,165	(4)
EBITDA	102	3
EBIT	52	16

Ratio, %	2008	2007
EBITDA margin	8.8	8.1
EBIT margin	4.5	3.7

Before incidentals; 2007 pro forma





Performance Coatings

Autonomous revenue growth of 4 percent

6 percent negative currency impact

Slightly lower EBITDA margin of 11.6 percent

Marine & Protective Coatings: another strong quarter

Industrial Activities affected by weak US market conditions



Performance Coatings

€ mln	2008	Δ%
Revenue	1,096	—
EBITDA	127	(5)
EBIT	103	(6)

Ratio, %	2008	2007
EBITDA margin	11.6	12.2
EBIT margin	9.4	9.9

Before incidentals; 2007 pro forma



Specialty Chemicals



Specialty Chemicals

Strong autonomous growth of 11 percent; negative currency impact of 6 percent

Pressure on margins from raw materials and energy compensated by price increases

Slightly lower EBITDA margin of 17.1 percent

Surfactants, Polymer Chemicals and Chemicals Pakistan leading improvement



Specialty Chemicals

€ mln	2008	Δ%
Revenue	1,199	5
EBITDA	205	1
EBIT	143	4

Ratio, %	2008	2007
EBITDA margin	17.1	17.8
EBIT margin	11.9	12.0

Before incidentals; 2007 pro forma



Q1 financial performance

Strong financial position

€ mln	March 31, 2008	Dec. 31, 2007
Equity	11,735	12,155
Net debt	3,483	2,832

Q1, € mln	2008	2007
Net cash from operating activities	(400)	(426)

2007 pro forma



Share buyback

€3 bln share buyback program

Open market program

Started mid March, completion expected by end Q1/ early Q2 2009



Management Agenda 2008

Outgrow our markets, further improve EBITDA margin

Significant progress with integration ICI

Capture first round of synergies

Divestiture of Specialty Starches

Remedies divestitures

Roll out corporate brand program



Trading conditions 2008

AkzoNobel remains confident of outgrowing its markets

At least maintaining results in line with 2007.



Q1 2008 Results

“Stable performance in a testing
economic environment”

Q&A



Safe Harbor Statement

This press release 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

