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Q3 results, October 29, 2008

**Resilient performance underlines
fundamental strength**



Q3 operational performance

Q3 2008 highlights

- Q3 revenue, at constant currencies, ahead 8 percent (reported: up 3 percent)
- All business areas delivered resilient EBITDA performance
- Higher one-off charges impacted EBITDA
- Net income down 23 percent, impacted by one-off items
- Incidental charges of €79 million before tax
- Management delivering ICI synergies faster, 100 percent by 2010
- Programs in place to further improve operational performance
- Interim dividend maintained at €0.40 per share
- 2008 outlook reconfirmed



Q3: Resilient performance

€ mln	2008	Δ%
Revenue constant currencies	4,007	8
Revenue reported	3,820	3
EBITDA constant currencies	492	(5)
EBITDA reported	477	(8)
Net income before fair value adjustments	219	(15)
Ratio	2008	2007
EBITDA margin constant currencies, %	12.3	13.9
EBITDA margin reported, %	12.5	13.9
Earnings per share, in €	0.83	0.85

Continuing operations before incidentals; 2007 pro forma



Q3: Revenue growth in constant currencies of 8 percent

%	Total	Volume	Price	Currency	Acq./div.
Decorative Paints	-	(1)	5	(5)	1
Performance Coatings	-	-	5	(5)	-
Specialty Chemicals	5	(3)	12	(5)	1
AkzoNobel	3	(1)	8	(5)	1

Versus Q3, 2007 proforma



Q3 other and incidental costs

Other costs in EBITDA of €72 million (2007: €37 million) include:

- Lower results in captive insurance companies of €30 million
- Fair value changes from energy derivatives of €18 million
- Corporate and pension costs of €24 million

Incidental charges of €79 million (2007: €36 million) include:

- Restructuring charges of €28 million
- Negative result of divestments of €19 million
- Special charges for post retirement benefits of €19 million
- Transformation costs of €9 million and other of €4 million



Decorative Paints



Q3 Decorative Paints: good results

- Revenue up 5 percent in constant currencies (reported: stable)
- EBITDA in constant currencies up 8 percent
- Double-digit growth in Asia and Latin America
- Revenue growth of 3 percent achieved in Europe, despite a difficult UK market
- Challenging market conditions in the US prevail
- Price increases successfully implemented and compensate for higher raw material costs



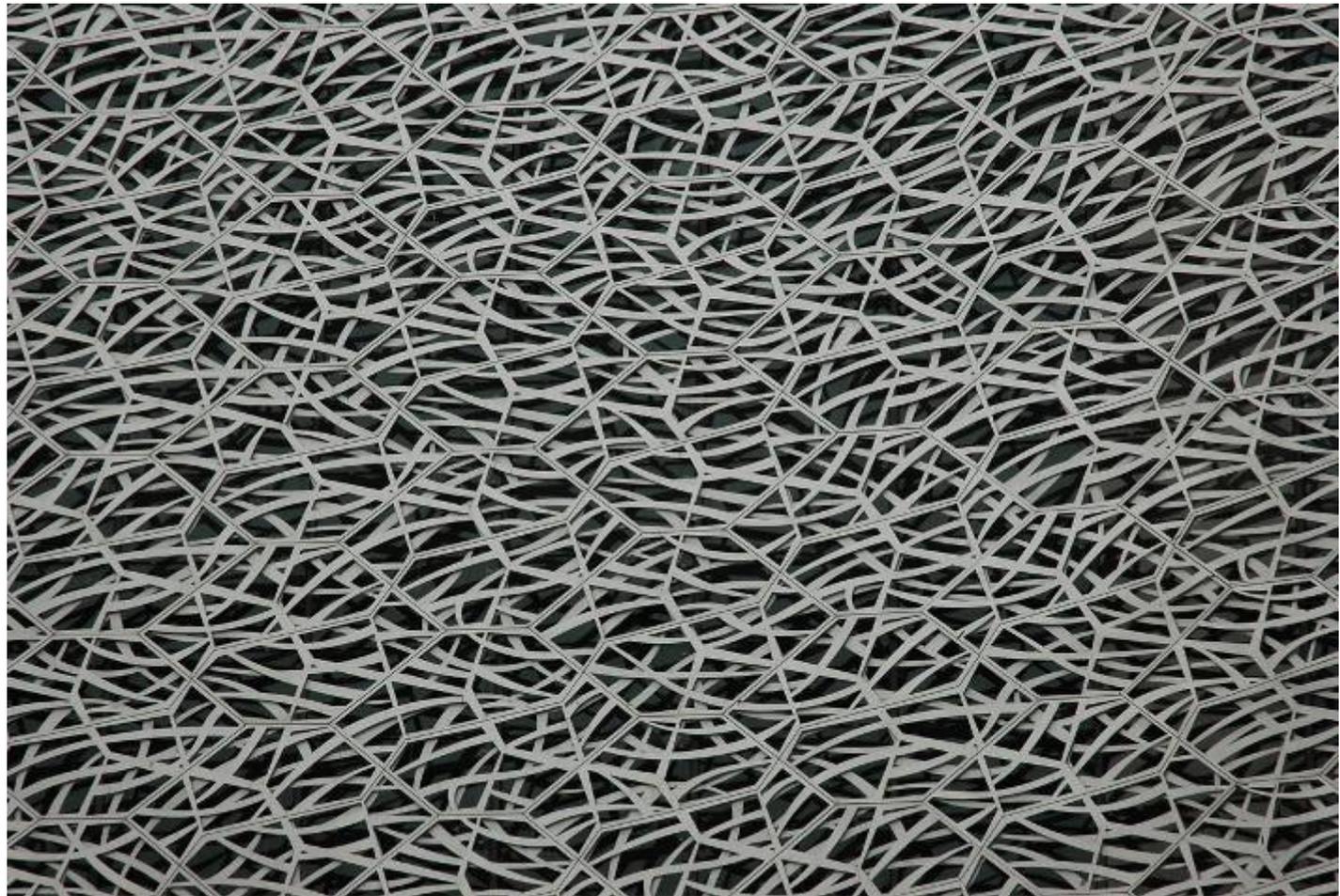
Q3 Decorative Paints

<i>€ mln</i>	2008	Δ%
Revenue constant currencies	1,483	5
Revenue reported	1,413	-
EBITDA constant currencies	218	8
EBITDA reported	207	3
<i>Ratio, %</i>	2008	2007
EBITDA margin constant currencies	14.7	14.2
EBITDA margin reported	14.6	14.2

Before incidentals; 2007 pro forma



Performance Coatings



Q3 Performance Coatings: a solid quarter

- Revenue in constant currencies up 5 percent (reported: stable)
- EBITDA in constant currencies increased by 1 percent
- Good quarter for Marine & Protective, Powder Coatings and Packaging Coatings
- Industrial Finishes continues to face pressure on margins
- Car Refinishes affected by market conditions in mature economies.



Q3 Performance Coatings

€ mln	2008	Δ%
Revenue constant currencies	1,196	5
Revenue reported	1,138	-
EBITDA constant currencies	146	1
EBITDA reported	143	(1)

Ratio, %	2008	2007
EBITDA margin constant currencies	12.2	12.7
EBITDA margin reported	12.6	12.7

Before incidentals; 2007 pro forma





Q3 Specialty Chemicals: revenue growth supports healthy margins

- 9 percent autonomous growth, driven by price increases
- EBITDA margin remained strong at more than 16%
- Functional Chemicals turned in positive volume development
- Pulp bleaching holding up, paper chemicals markets softening
- Polymer Chemicals fell short against previous year.
- Chemicals Pakistan revenue impacted by tariff changes and currency translation
- Demand remained healthy in Base Chemicals and Surface Chemistry



Q3 Specialty Chemicals

€ mln	2008	Δ%
Revenue constant currencies	1,267	10
Revenue reported	1,212	5
EBITDA constant currencies	205	(1)
EBITDA reported	199	(4)
Ratio, %	2008	2007
EBITDA margin constant currencies	16.2	18.0
EBITDA margin reported	16.4	18.0

Before incidentals; 2007 pro forma



Q3 financial performance

Strong financial position

<i>€ mln</i>	September 30, 2008	Dec. 31, 2007
Equity	10,443	12,155
Net debt	1,781	2,832

<i>YTD Q3, € mln</i>	2008	2007
Net cash from operating activities	(176)	26

2007 pro forma



Q3 YTD operational performance

Q3 YTD operational performance

€ mln	2008	Δ%
Revenue constant currencies	11,846	8
Revenue reported	11,196	2
EBITDA constant currencies	1,485	2
EBITDA reported	1,401	(4)
Net income before fair value adjustments*	633	(10)

Ratio	2008	2007
EBITDA margin constant currencies, %	12.5	13.3
EBITDA margin reported, %	12.5	13.3
Earnings per share, in €	2.25	2.21

*Continuing operations before incidentals; 2007 pro forma



Medium-term targets

Medium term targets

For the next 3 years, we will

- Continue to **outgrow** our markets
- Improve our **EBITDA margin** to at least 14%
- Continue to generate year-on-year **EVA growth**
- Remain a leader in **sustainability** (top 3 DJSI)



Outlook 2008 reconfirmed

We expect our 2008 EBITDA before incidentals, in constant currencies, to be close to the 2007 pro-forma level of €1,870 million



Q&A

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