



Safe harbor statement*

This report contains statements which address such key issues as Akzo Nobel's growth strategy, future financial results, market positions, product development, pharmaceutical products in the pipeline, and product approvals. Such statements, including but not limited to the "Outlook," 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. These factors also include changes in regulations or interpretations related to the implementation and reporting under IFRS, decisions to apply a different option of presentation permitted by IFRS, and various other factors related to the implementation of IFRS, including the implementation of IAS 32 and 39 for financial instruments. Stated competitive positions are based on management estimates supported by information provided by specialized external agencies. For a more complete discussion of the risk factors affecting our business please see our Annual Report on Form 20-F filed with the United States Securities and Exchange Commission, a copy of which can be found on the Company's website www.akzonobel.com.

*** Pursuant to the U.S. Private Securities Litigation Reform Act 1995.**



Rob Frohn, CFO

Creating a platform for growth

- Robust revenue growth
- Pressure on margins being tackled
- Strong financial position
- Active acquisition and divestment program

- Revenue from present operations up 6% to EUR 3.4 bln
- Volumes flat
 - Organon & Intervet strong volume growth
 - Coatings volume down
 - Chemicals flat
- Pricing increasing across the board, 4% up
- Currencies limited impact

- EBIT present operations increased 25% to EUR 341 mln
- Like-For-Like performance EUR 312 mln, down 9%

- Top-line growth all groups
- Intervet performance
- Lower pension charges
- One-off gains

- Raw materials/economy
- Higher R&D spend
- New NL labor agreement
- Incidentals Chemicals

<i>Q-2, EUR mln</i>	2005	Δ%
Revenues present operations	3,354	6
EBIT present operations	341	25
EBIT excluding one-offs	312	(9)
Net income	182	22

	2005	2004
EBIT margin, %	10.2	8.7
EPS, <i>EUR</i>	0.64	0.52
Number of employees	61,640	63,950



Organon ramping up R&D



- Autonomous growth 4%
- NuvaRing[®] – sales steadily increasing
- Infertility – renewed growth
- R&D expenses significantly up – investing in the pipeline
- R&D milestone asenapine
- Step-up in R&D collaborations – contracts with Lexicon and Théramex

Organon: autonomous product growth

Autonomous growth, %	on Q-2 2004	on Q-1 2005
Contraceptives	6	4
–of which NuvaRing [®]	65	18
Puregon [®] /Follistim [®]	31	10
Remeron [®] outside U.S.	(12)	6
Livial [®]	(3)	12
Pharmaceutical ingredients	2	(2)



Organon – revenue growth; R&D expenditure significantly up

Q-2, EUR mln	2005	Δ%
Revenues	603	4
EBIT	87	10

Ratios	2005	2004
EBIT margin	14.4	13.6
S&D % revenues	32.7	33.8
R&D % revenues	16.6	14.9



Intervet: growth on all fronts



- Revenues up 9%
- 8% autonomous growth in virtually all regions and franchises
- Benefiting from efficiency improvements
- EBIT increased 50%; EBIT margin 21.7%
- More focus – feed additives divestment announced

<i>Q-2, EUR mln</i>	2005	Δ%
Revenues	277	9
EBIT	60	50

<i>Ratios</i>	2005	2004
EBIT margin	21.7	15.7
S&D % revenues	24.2	24.3
R&D % revenues	10.5	11.8



100th vessel coated – with 7,100 litres of Intersleek®



- Revenues up 7%; EBIT decreased 6%
- Autonomous growth 4%
- Prices up 6%; volumes down 2%
- Continued increases of raw material prices, oil-based/protective products in particular

- Decorative Coatings – slow market in Europe; ROW better
- Industrial activities – EU under pressure; Asia strong
- Car Refinishes – signs of recovery; restructuring ongoing
- Acquisition of Swiss Lack announced

<i>Q-2, EUR mln</i>	2005	Δ%
Revenues	1,502	7
EBIT	140	(6)

<i>Ratio</i>	2005	2004
EBIT margin	9.3	10.6



Chemicals: keeping the water healthy



- Revenues present operations up 2% – higher selling prices
- Pressure from raw material and energy prices
- Base Chemicals – scheduled maintenance stop
- Pulp & Paper Chemicals – industry strike in Finland
- Divestment program – on track

<i>Q-2, EUR mln</i>	2005	Δ%
Revenues	963	2
EBIT	77	12

<i>Ratio</i>	2005	2004
EBIT margin	8.0	7.3

Present operations

Strong financial position



<i>June '05 / Dec. '04; EUR bln</i>	2005	2004
Equity	3.2	2.8
Net borrowings	1.9	1.4
Gearing (ratio)	0.60	0.51
<i>HY ratios</i>	2005	2004
Interest coverage	10.7	7.0
EBITDA coverage	14.6	10.8



<i>HY, EUR mln</i>	2005	Δ%
Revenues present operations	6,395	4
EBIT present operations	760	48
EBIT excluding one-offs	586	(4)
Net income	469	66

	2005	2004
EBIT margin, %	11.9	8.4
EPS, <i>EUR</i>	1.64	0.99
Number of employees	61,640	63,950

- A platform for growth
- Organon – top-line growth and support R&D pipeline
- Intervet – keep up the pace
- Coatings – growth in emerging markets, acquisitions
- Chemicals – execute new strategy with five platforms
- Complete divestments

**Aspiring to achieve net income*
within 2004 range of EUR 800 mln**

** This excludes restructuring and impairment charges, charges related to major legal, antitrust and environmental cases, results on divestments, and the impact of the new pension scheme in the Netherlands. It is based on our current portfolio.*



Creating a platform for growth