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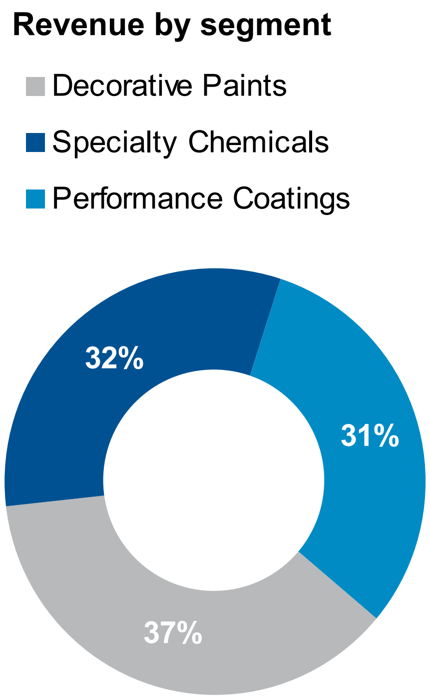
Keith Nichols, CFO
Investor update, October 29, 2008

Resilient performance underlines fundamental strength

The new AkzoNobel: Key facts

Pro forma 2007

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



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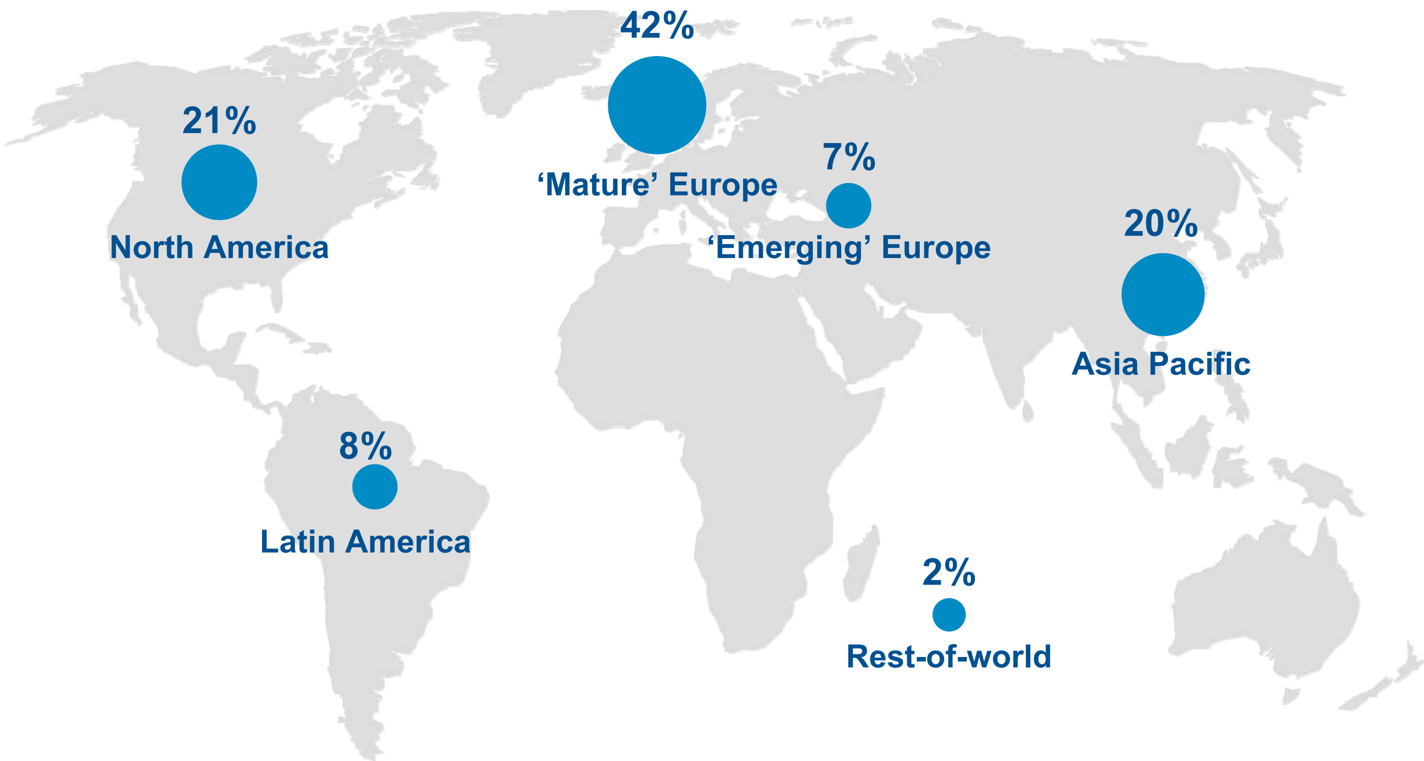
Excellent geographic spread of both revenue and profits

Emerging markets are important (35% of revenue) . . .

% of revenue, 2007 pro forma



Emerging markets profitability is strong (39% of EBIT)

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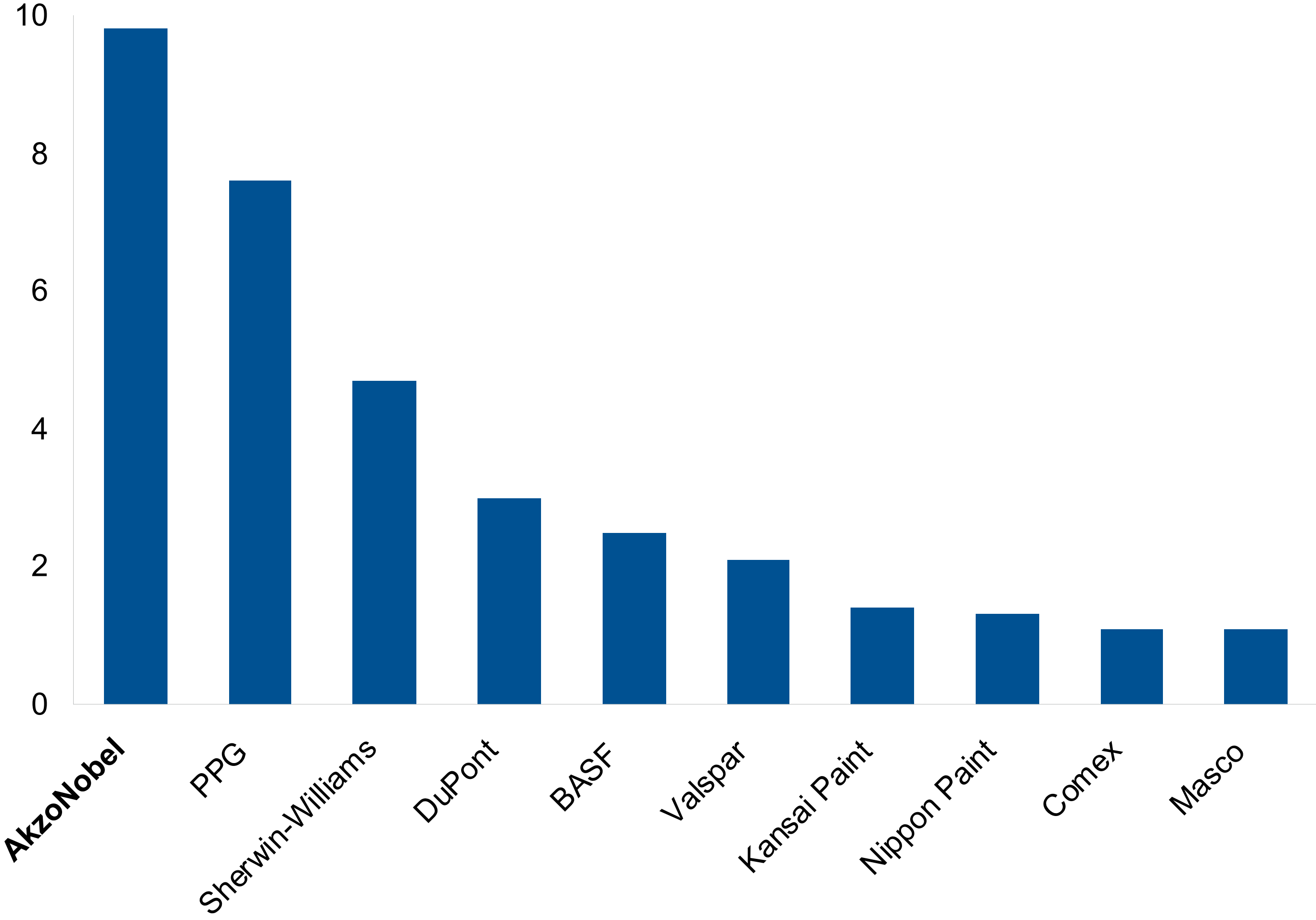
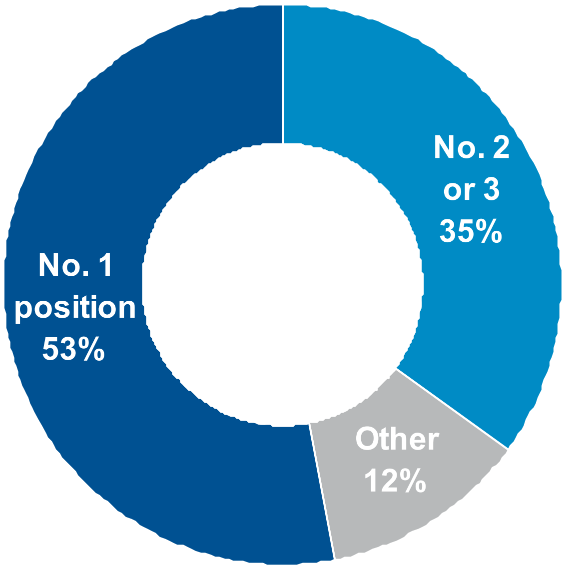
AkzoNobel is the world's largest Coatings supplier

€ billion, 2007 pro forma

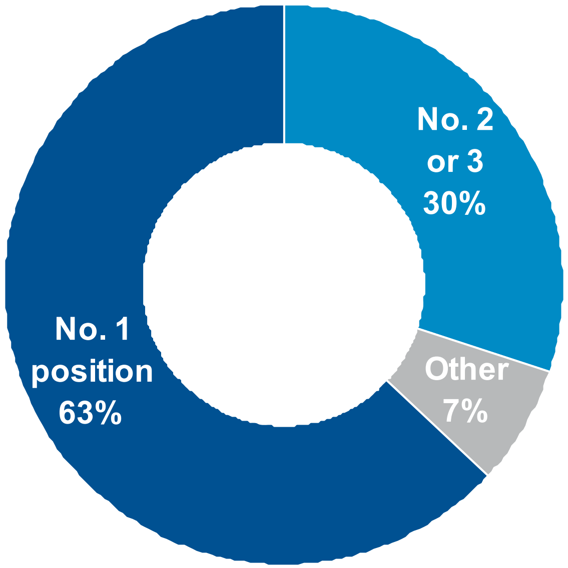


Leadership positions are more profitable positions

Revenue



EBIT



We have strong brands across the full spectrum of our business

Biggest brands, per business area

% of revenue, 2007 pro forma

eka	18% of Specialty Chemicals
International	23% of Performance Coatings
Dulux	25% of Decorative Paints

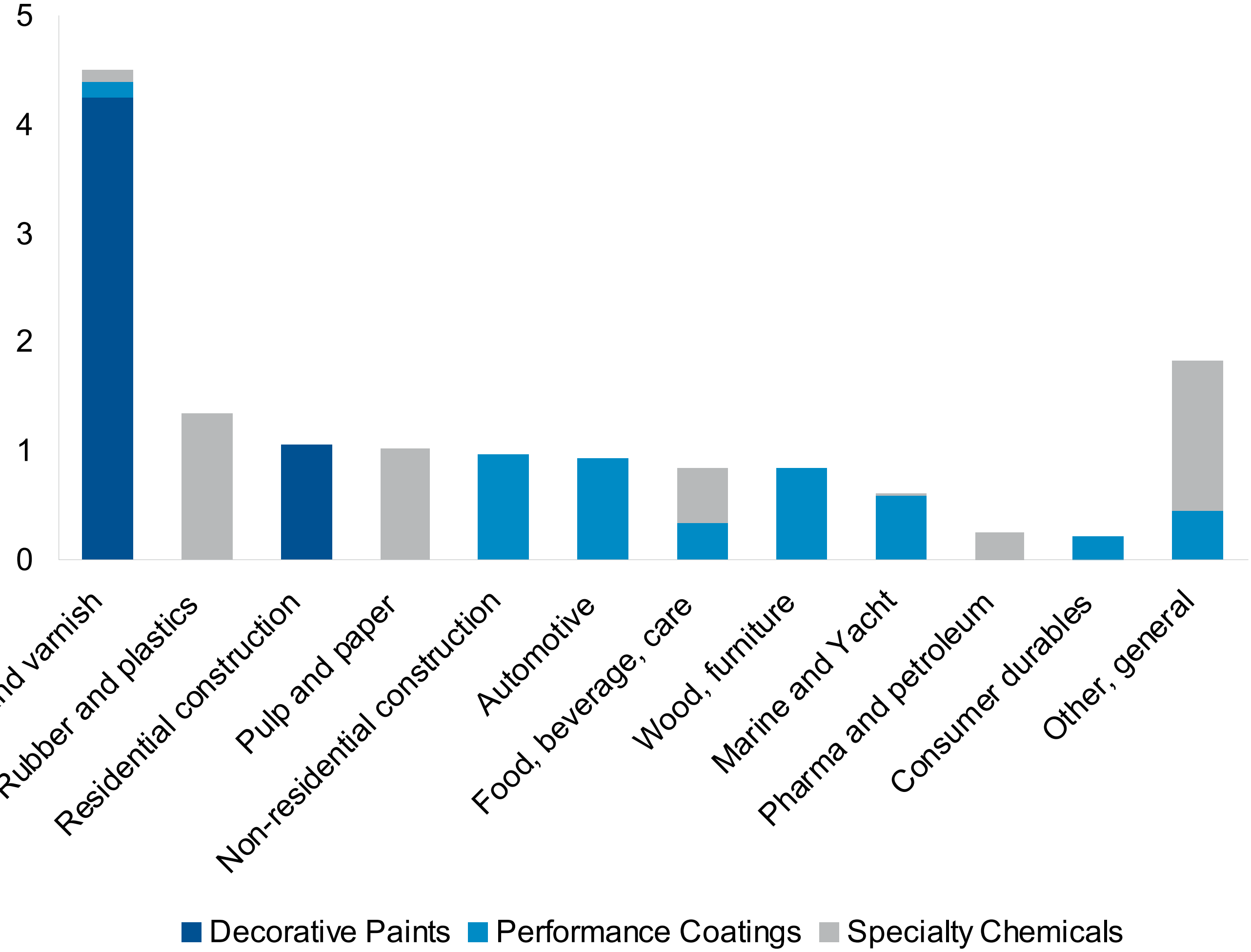
Strong emerging markets growth potential

	Mature Per Capita	**Emerging** Per Capita
Architectural Paint	8 liters	< 2 liters
Industrial and Special Purpose Coatings	13 liters	< 6 liters
Plastics	~100 kg	~20 kg
Paper	~170 kg	~25 kg

Source: Food & Agriculture Organization of the UN, 2005 data for paper and paperboard; Plastic Europe Market Research Group (PEMRG) 2005 plastics data; Euromonitor 2007 coatings data; WorldBank population data

We serve many sectors, creating stability

€ billion, 2007 pro forma



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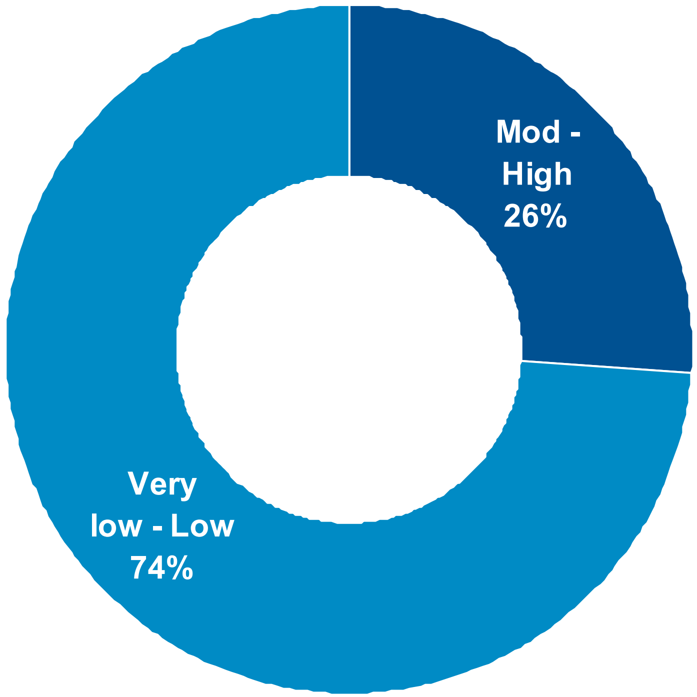
Low end market cyclicality

Very low – Low (74%)
cyclicality end markets, e.g.,

- Food and beverage
- Paper, printing, and publishing
- Automotive aftermarket
- Paints and varnishes
- Rubber and plastics
- Furniture
- Soaps and detergents

Mod – High (26%)
cyclicality end markets, e.g.,

- Non-residential construction
- Residential construction
- Automotive OEM
- Consumer durables
- Agro-chemicals
- Aerospace
- Shipbuilding



Source: Oxford Economics 1980-2007 cyclicality analysis

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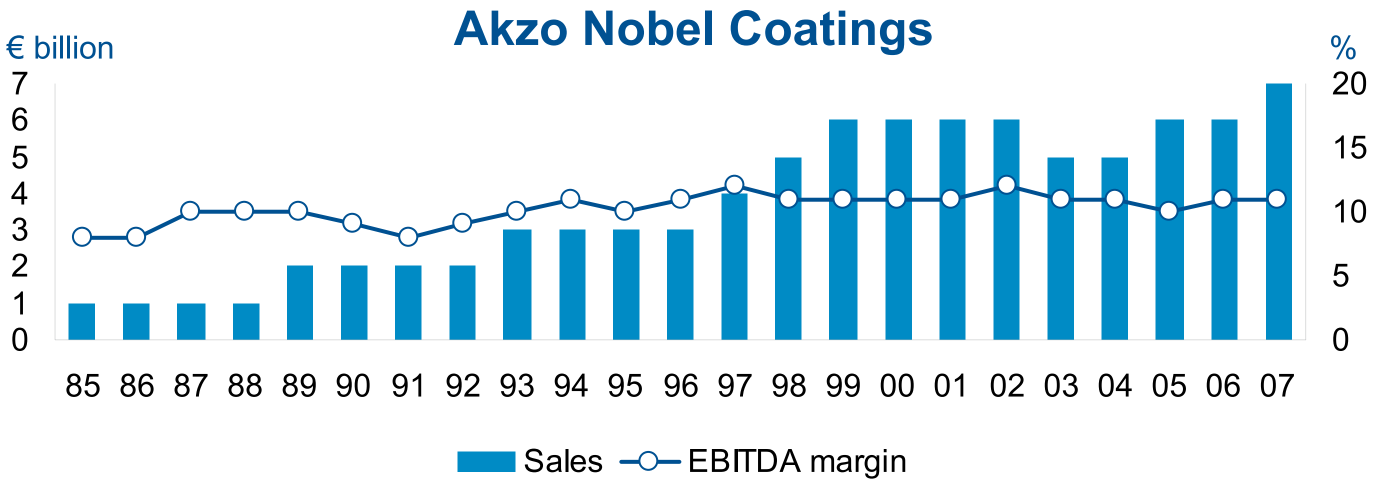
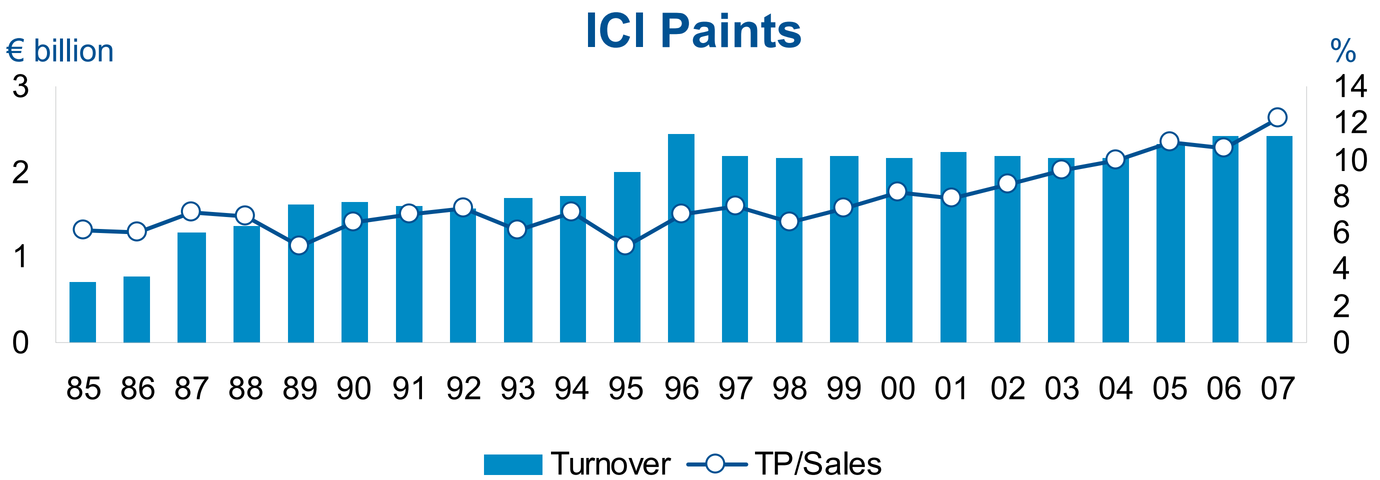
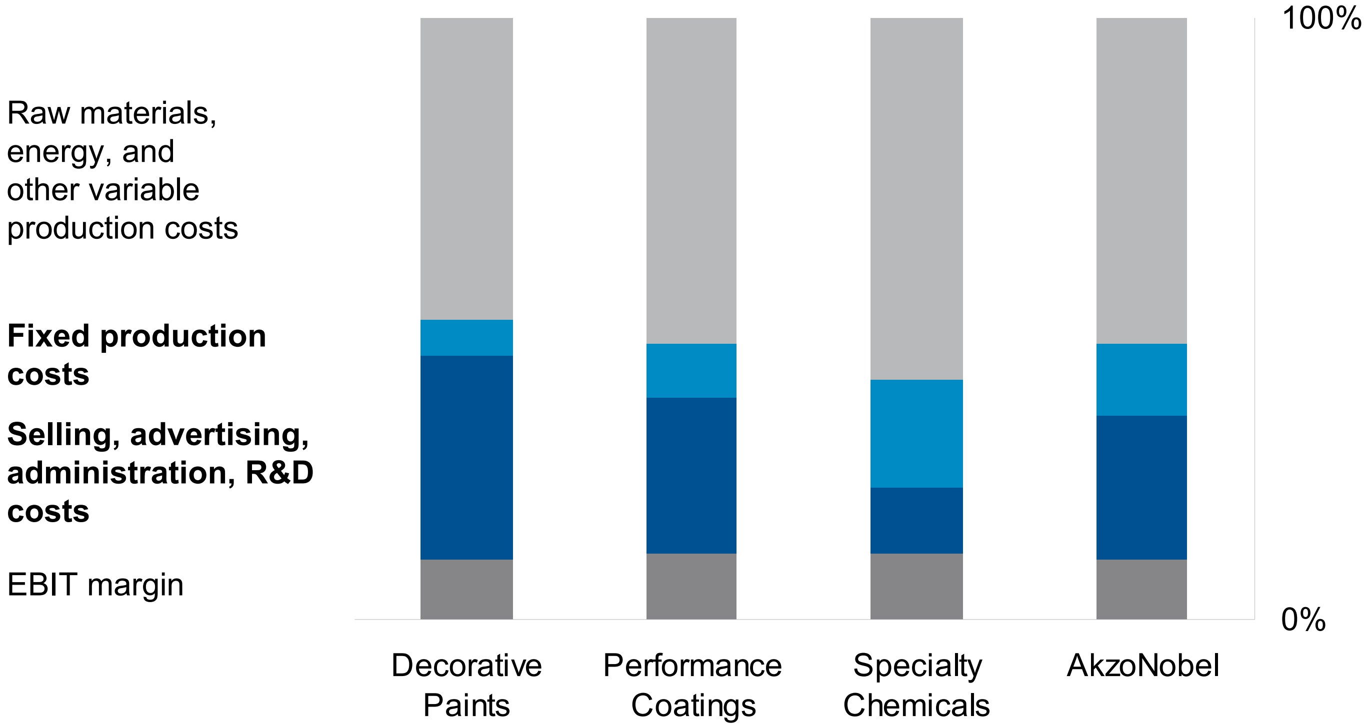
Resilient Coatings margins





Low fixed costs as a percentage of revenue

% of revenue, indicative



Q3 operational performance

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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

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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

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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

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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

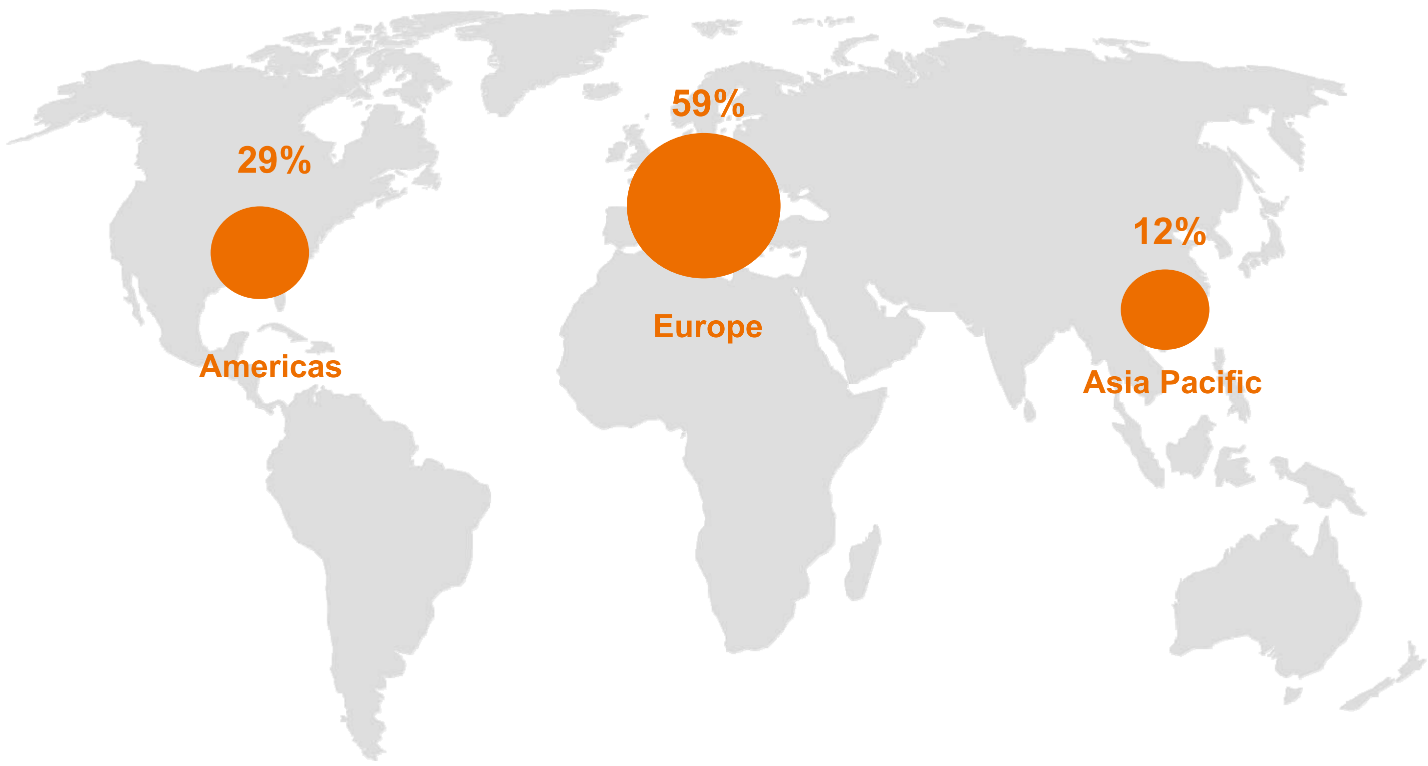
Incidental charges of €79 million (2007: €36 million) include:

- 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

Decorative paints around the world

% of revenue by origin, 2007 pro forma



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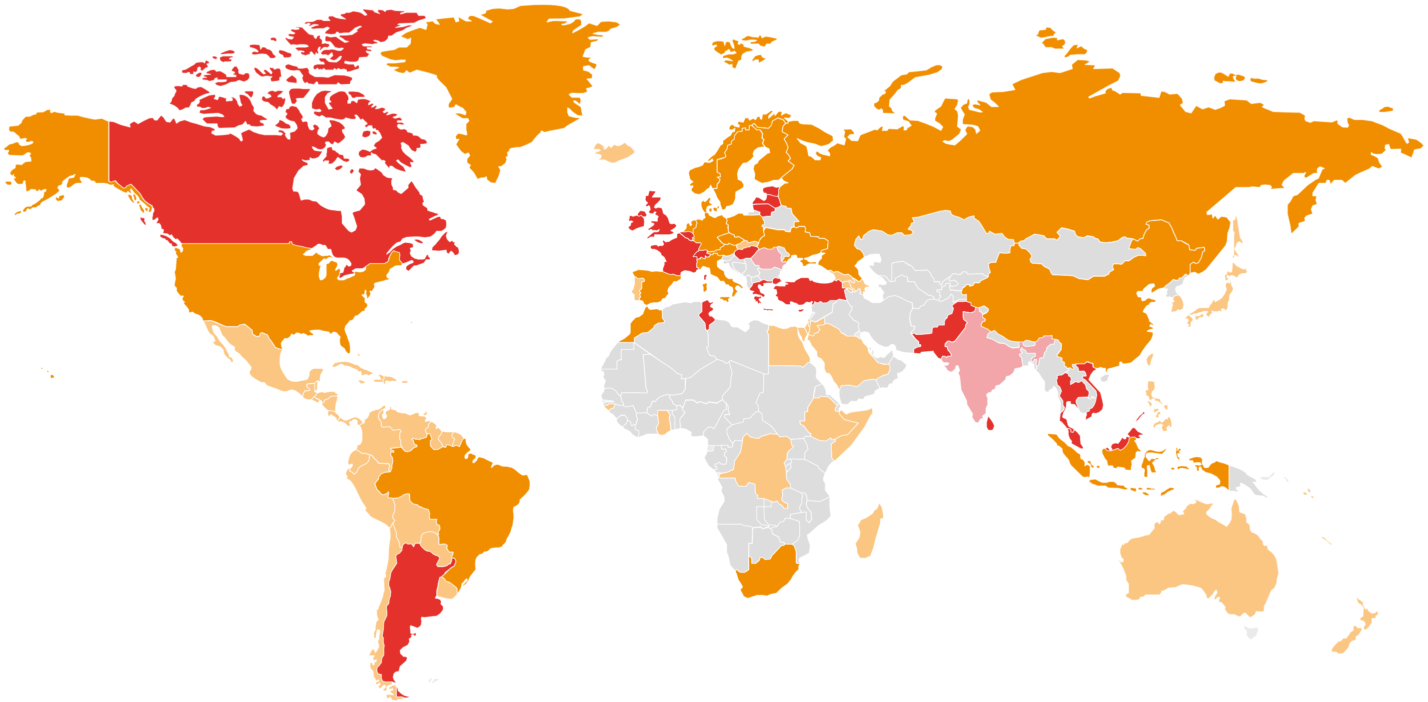
Leading Deco positions in all regions with strong brands

AkzoNobel market positions



1 | 2/3 | >3 | Export countries

Source: Euromonitor basis; AkzoNobel analysis

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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

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

Before incidentals; 2007 pro forma

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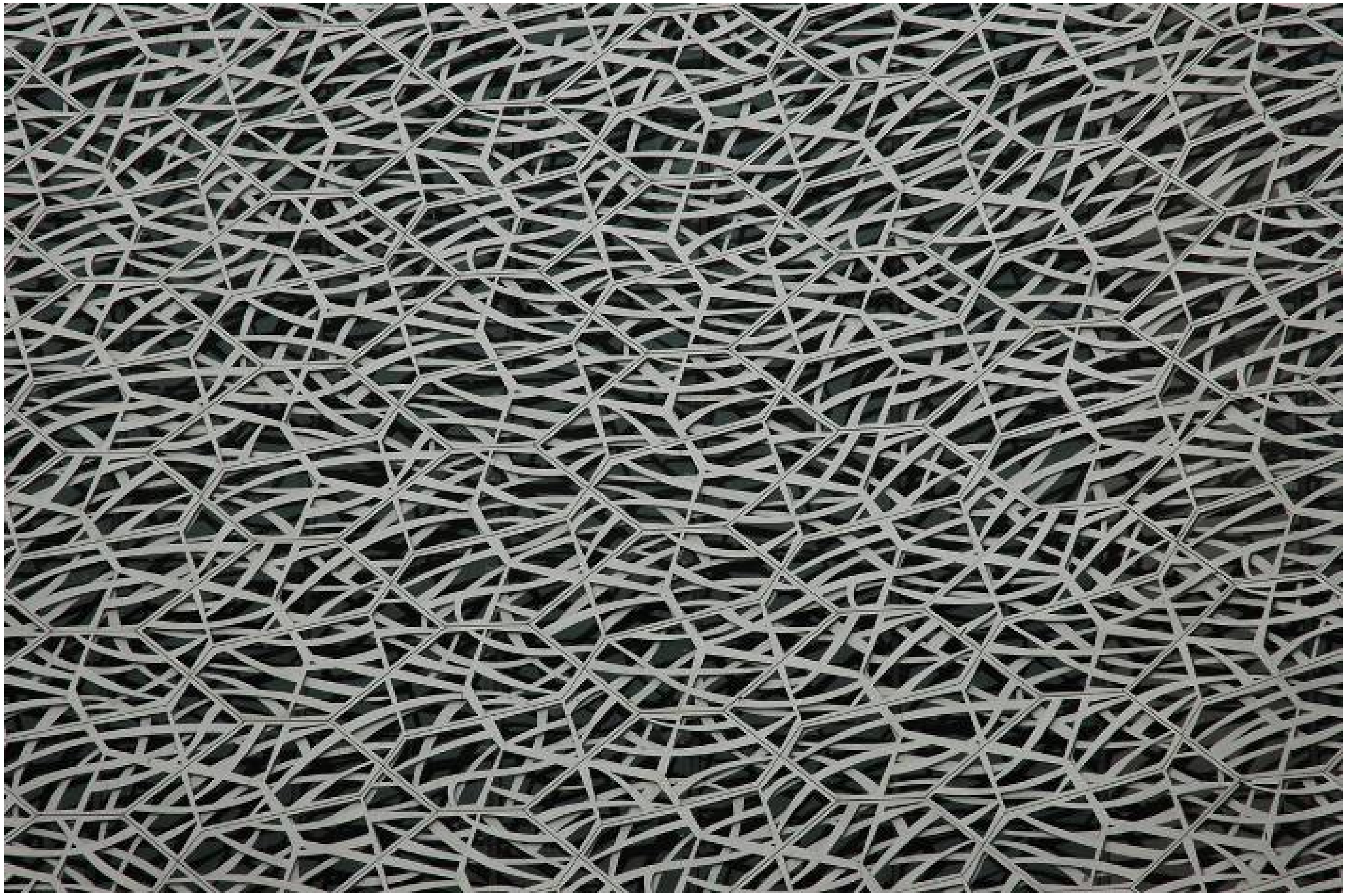
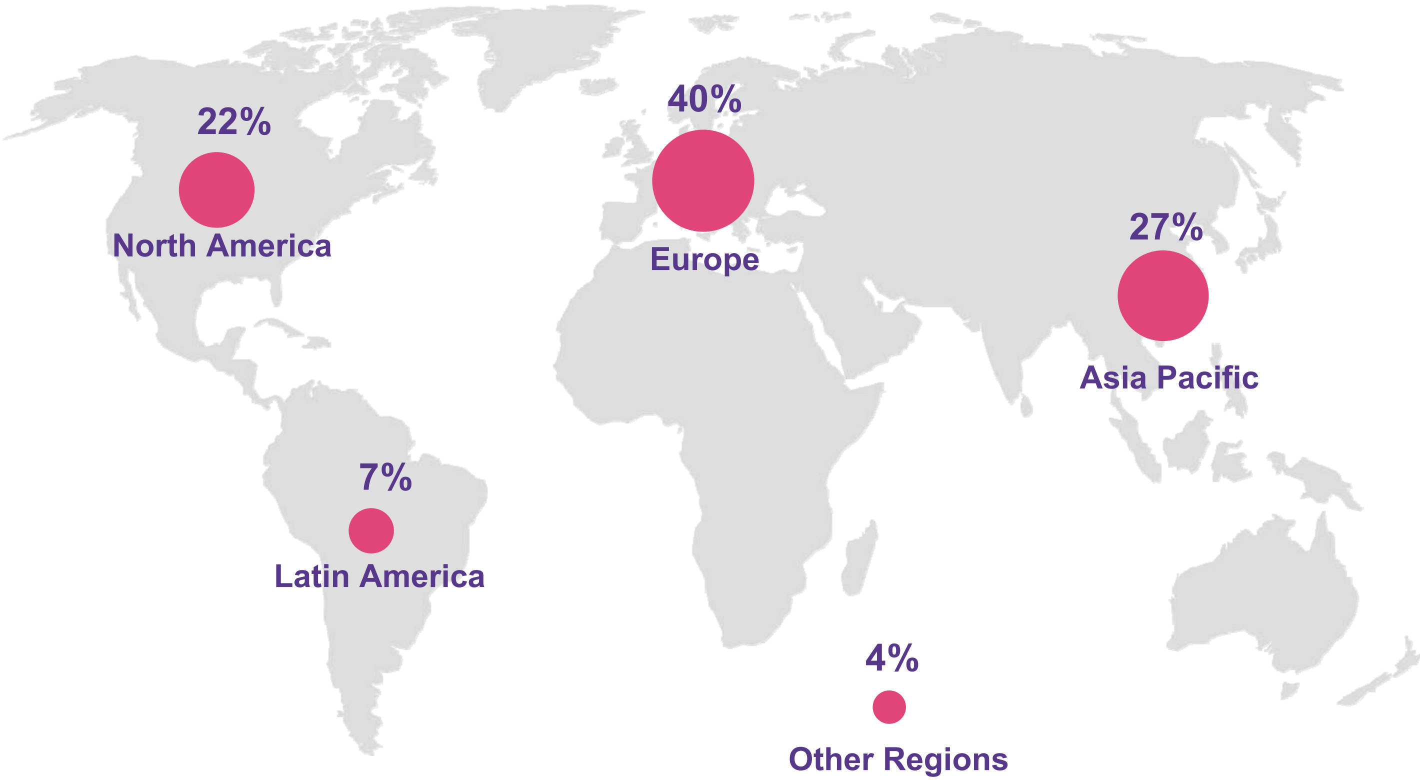
Performance Coatings



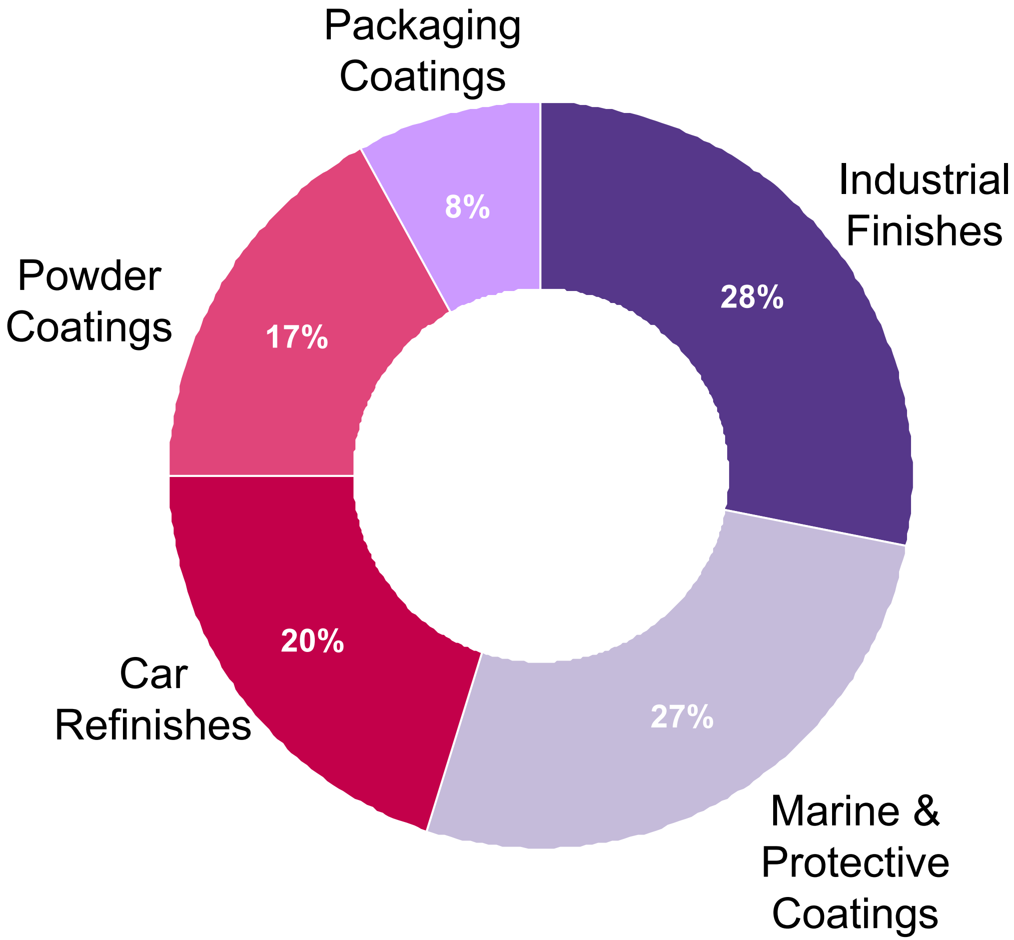
Performance Coatings around the world

% of revenue, 2007 pro forma



Performance Coatings Business Units

% of revenue, 2007 pro forma
100% = €4.5 billion



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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)

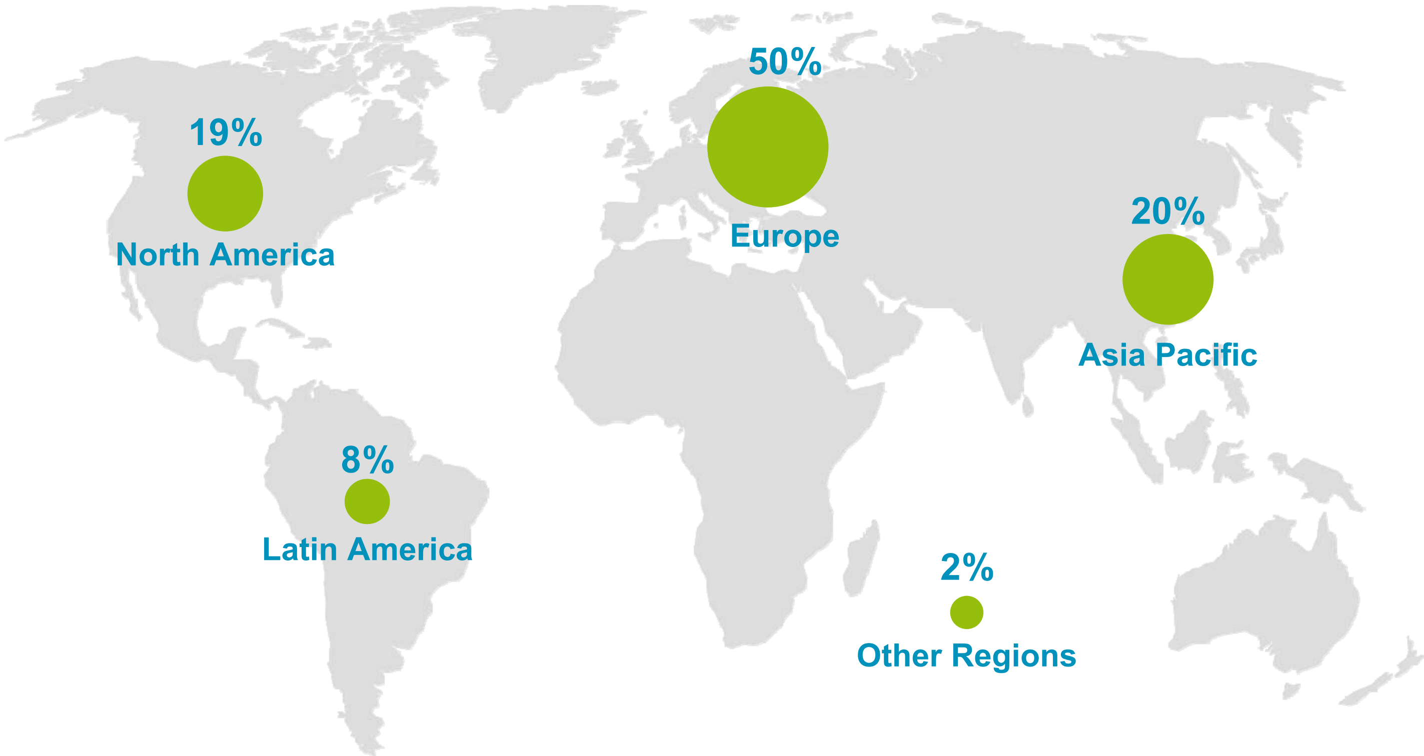
Ratio, %	2008	2007
EBITDA margin constant currencies	12.2	12.7
EBITDA margin reported	12.6	12.7

Before incidentals; 2007 pro forma

Specialty Chemicals

Specialty Chemicals around the world

% of revenue, 2007 pro forma



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Many global market leadership positions

Pulp & Paper	1	Bleaching chemicals	2	Retention and sizing chemicals (globally)				
Base Chemicals	1	Monochloroacetic acid (MCA)	1	Chlorine Merchant & salt* (Europe)	2	Caustic merchant (Europe)		
Functional Chemicals	1	Chelates & micronutrients, sulfur products & polysulfides	2	Ethylene amines	3	Salt specialties (Europe)	5	Cellulosic specialties
Surface Chemistry	1	Industrial	2	Agricultural	3	Household & institutional cleaning	4	Petroleum
Polymer Chemicals	1	High Polymer Specialties	1	X-Linking, Thermosets and Polymer Additives	2	OrganoMetallic Specialties		

* for chemical transformation

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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

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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

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Strong financial position

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

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

2007 pro forma

Q3 YTD operational performance

Q3 YTD operational performance

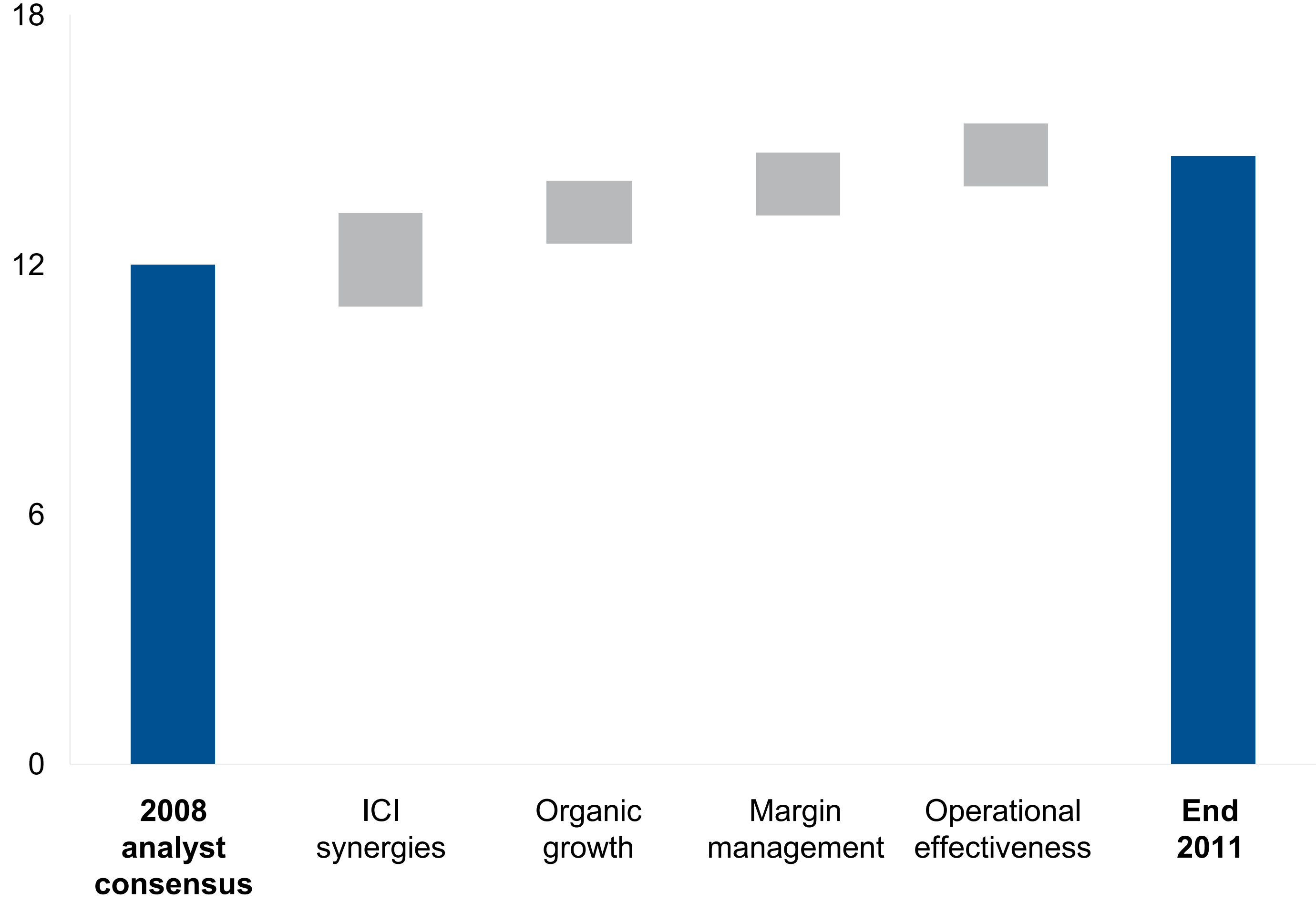
€ mln	2008	Δ%
Revenue constant currencies	11,846	8
Revenue reported	11,196	2
EBITDA constant currencies	1,485	2
EBITDA reported	1,401	(4)
Net income before fair value adjustments*	633	(10)
Ratio	**2008**	**2007**
EBITDA margin constant currencies, %	12.5	13.3
EBITDA margin reported, %	12.5	13.3
Earnings per share, in €	2.25	2.21

**Continuing operations before incidentals; 2007 pro forma*

Medium-term targets

We will improve our EBITDA margin to at least 14% in the next 3 years

EBITDA margin, indicative



Delivering ICI synergies faster

	What we said a year ago	What we said In April	What we are saying today
Savings	**280**	**340**	**340**
- Deco		180	180
- Corporate		85	85
- **Proc**		75	75
Timeframe			
-2008		15%	>15%
-2009		55%	70%
-2010	85%	85%	100%
			30% of exits in 2008
Integration	Outside in	Detailed plans	- All corporate departments redesigned - All Deco regional and functional teams in place
Cultural fit	Avoid conflicts and dis-synergies	Combining and learning	Building new company 95% of targeted management retained

20% more

20% faster

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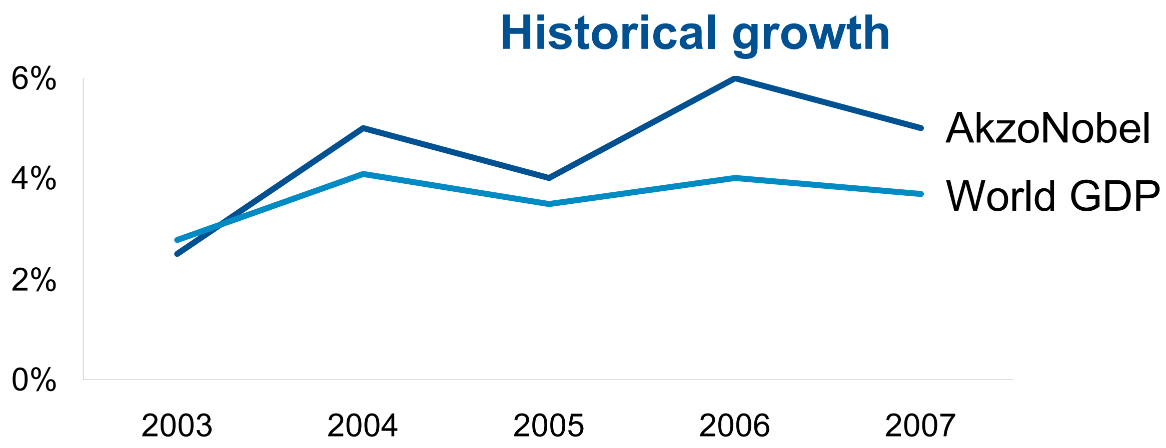
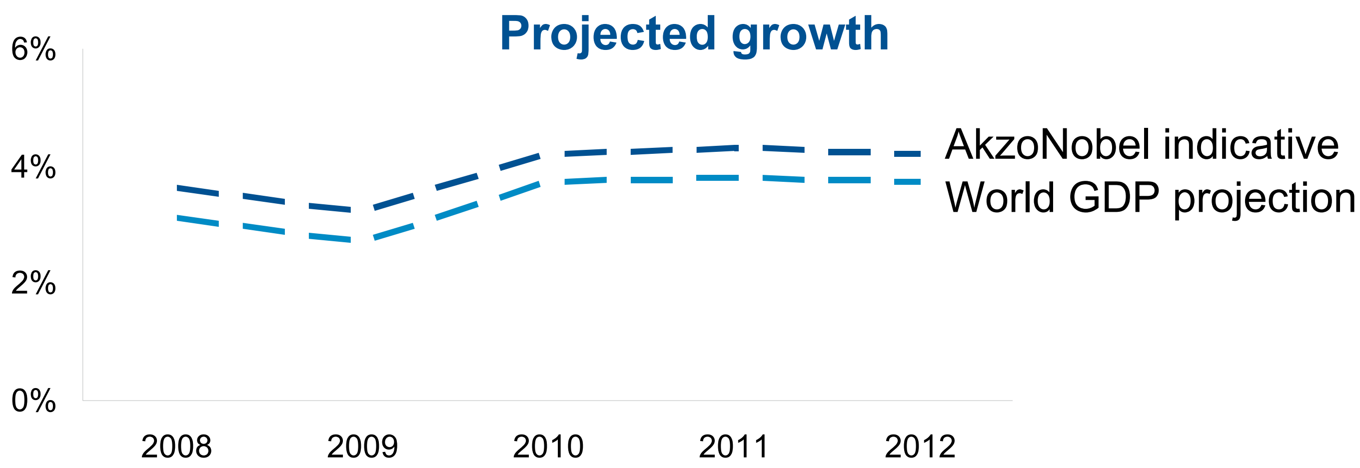
The "baseload" of growth will come from industry growth





Source: Oxford Economics, August, 2008

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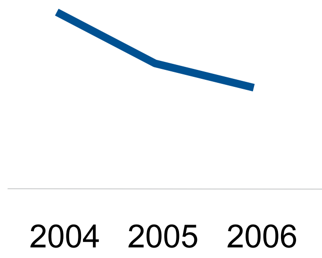
Improved pricing capability has already delivered results in Specialty Chemicals

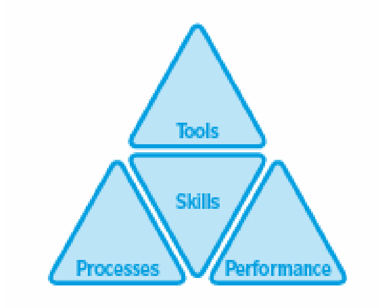
1. The situation

- Raw material cost increases outstripping price increases
- Consensus reached that pricing skill upgrade was required



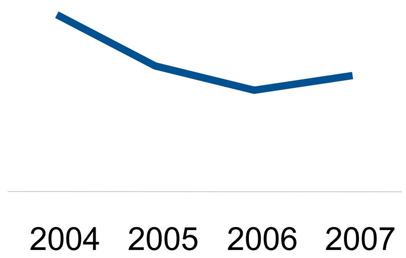
2. The action

- Improvement program implemented across Specialty Chemicals



3. The result

- All BUs have observed either an increase in contribution margin or a halt in decline



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Operational effectiveness: additional net cost savings of at least €100 million

- Low growth, high cost inflation environment in mature economies requires even stronger focus on operational effectiveness
- We are targeting at least an additional €100 million of annual net cost savings, beyond €340 million ICI synergies
- In total this translates into around 3,500 FTE reductions by 2011
- Savings have been identified across all business areas, shared service organizations and corporate

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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)

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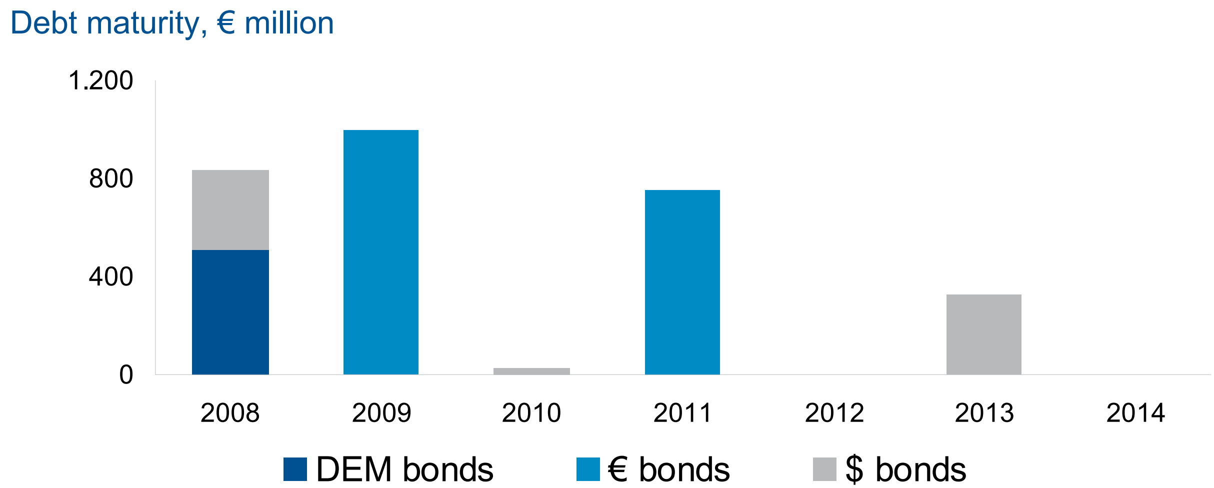
Outlook 2008 unchanged

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

Annex

Prudent financing policy in challenging capital markets

€1.8 billion debt maturing in the coming 18 months…



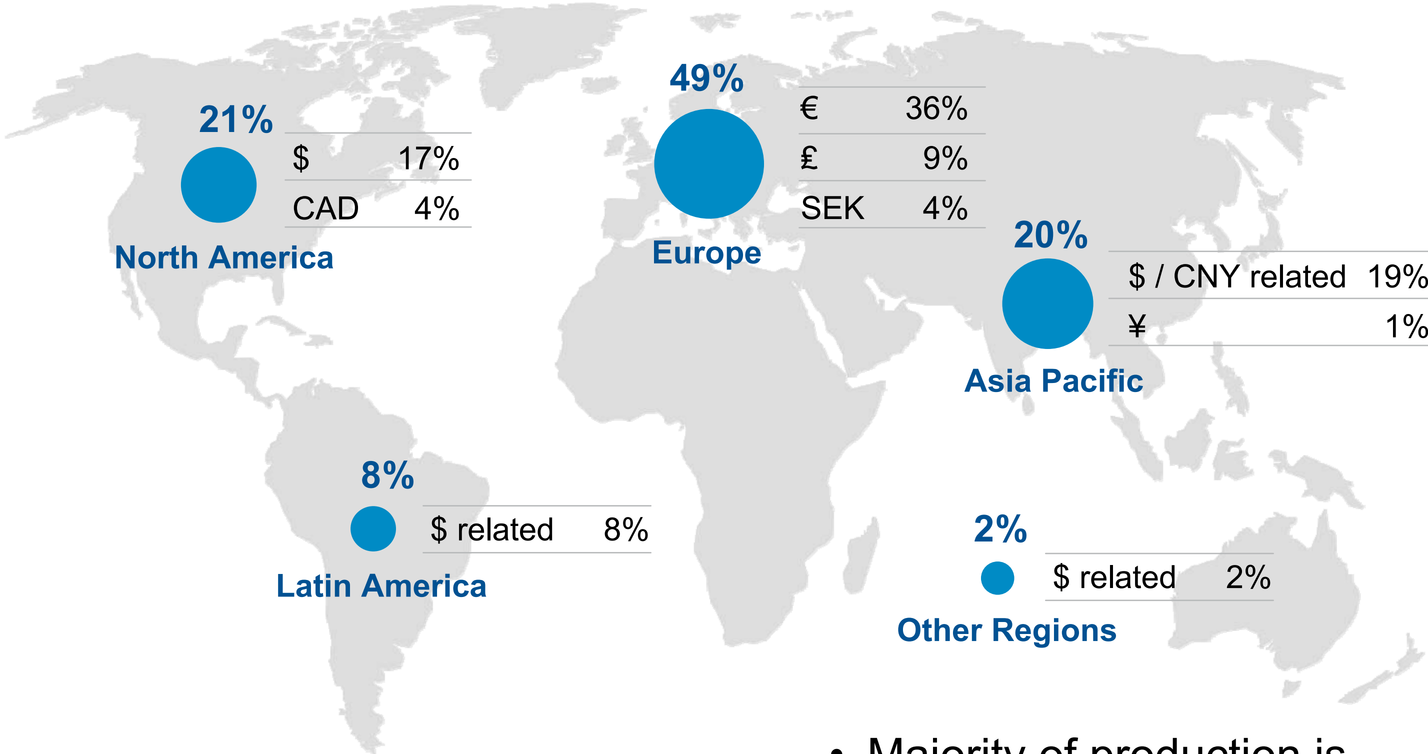
Objective is to refinance and lengthen the maturity profile

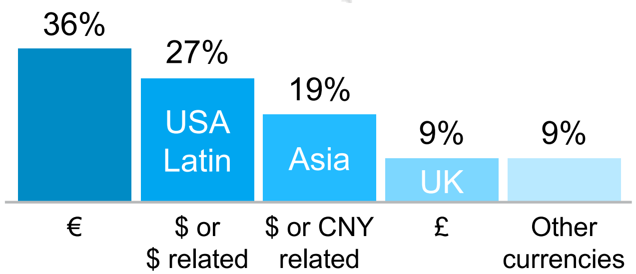
- Capital markets are currently closed
- €1.8 billion of debt maturing in the next 8 months
- Remainder of the €3 billion (€1.6 billion) Share Buy Back program deferred until refinancing is completed

Pro-active pension risk management

- 2004 pro forma (including ICI) pension under funding was around €4 billion
- 2007 pro forma pension under funding €1,475 million
- Mid-2008 pension under funding estimated at €1,355 million
- Committed to fund deficits and further de-risk over time
- Defined Benefits closed to new entrants, major plans closed in 2001 (ICI) and 2004 (Akzo Nobel)
- Ring fenced other post-retirement obligations

Well diversified revenue by currency





- Majority of production is "local for local"
- H1 2008 translational currency effect on both top and bottom line is 7%

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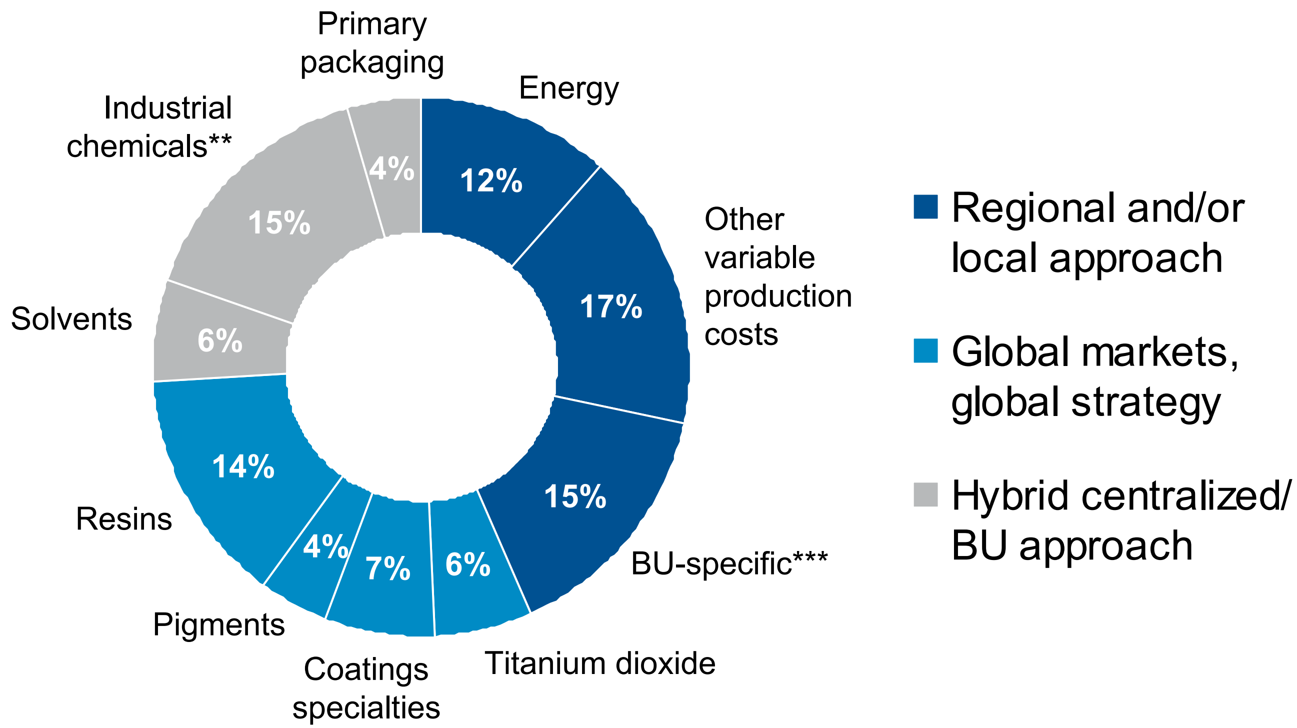
Leveraging raw material purchasing power

Raw materials, energy, and other variable costs represent slightly more than half of revenue*



* H1 2008
** Industrial chemicals contains raw materials such as: paraxylene, ethylene derivatives, fatty acids & oils
*** BU-secific contains raw materials such as cellulosics, ammonia, phenols, etc.

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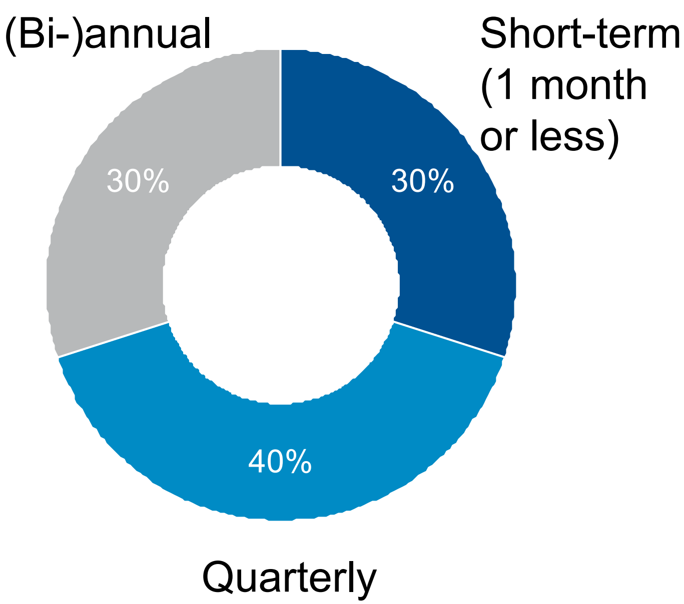
Diversified contract length and supplier base

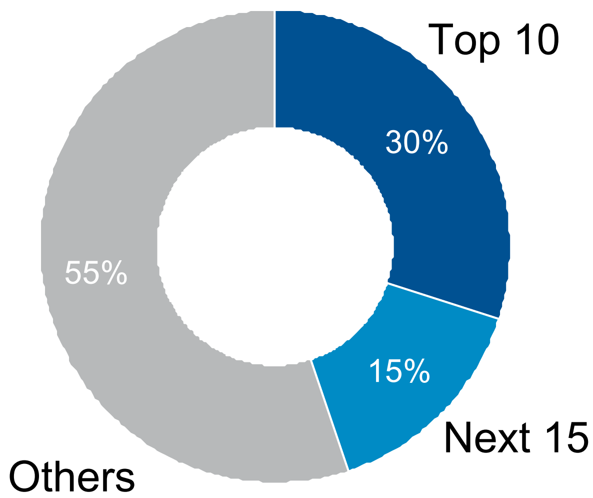
Contract length breakdown

% of raw material spend, indicative



Supplier consolidation

% of raw material spend, indicative



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Attractive capital returns to shareholders

Dividend policy

- 2007 dividend up 50% to €1.80 per share - sets a new floor
- Pay-out ratio of minimum of 45% of net income before incidentals and fair value adjustments related to ICI deal

Share Buy Back - total program €4.6 billion

- 2007: €1.6 billion completed; 9.75% of outstanding capital cancelled
- 2008/2009: €3 billion program:
  - €1.4 billion completed end September 2008, 12.1% of outstanding capital repurchased
  - Outstanding number of common shares end September 2008: 232 million

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Maintain solid capital structure

Maintain strong investment grade rating

(single A- / A3 through the cycle)

Key ratio's are

• FFO/adjusted net debt	>35%
• RCF/ adjusted net debt	>30%
• EBITDA/interest	>10 times
• Adjusted net debt / EBITDA	<2.5 times

Drivers

- Flexibility for growth strategy
- Avoid over-exposure to volatility of financial markets
- Continue to deal proactively with pension deficits

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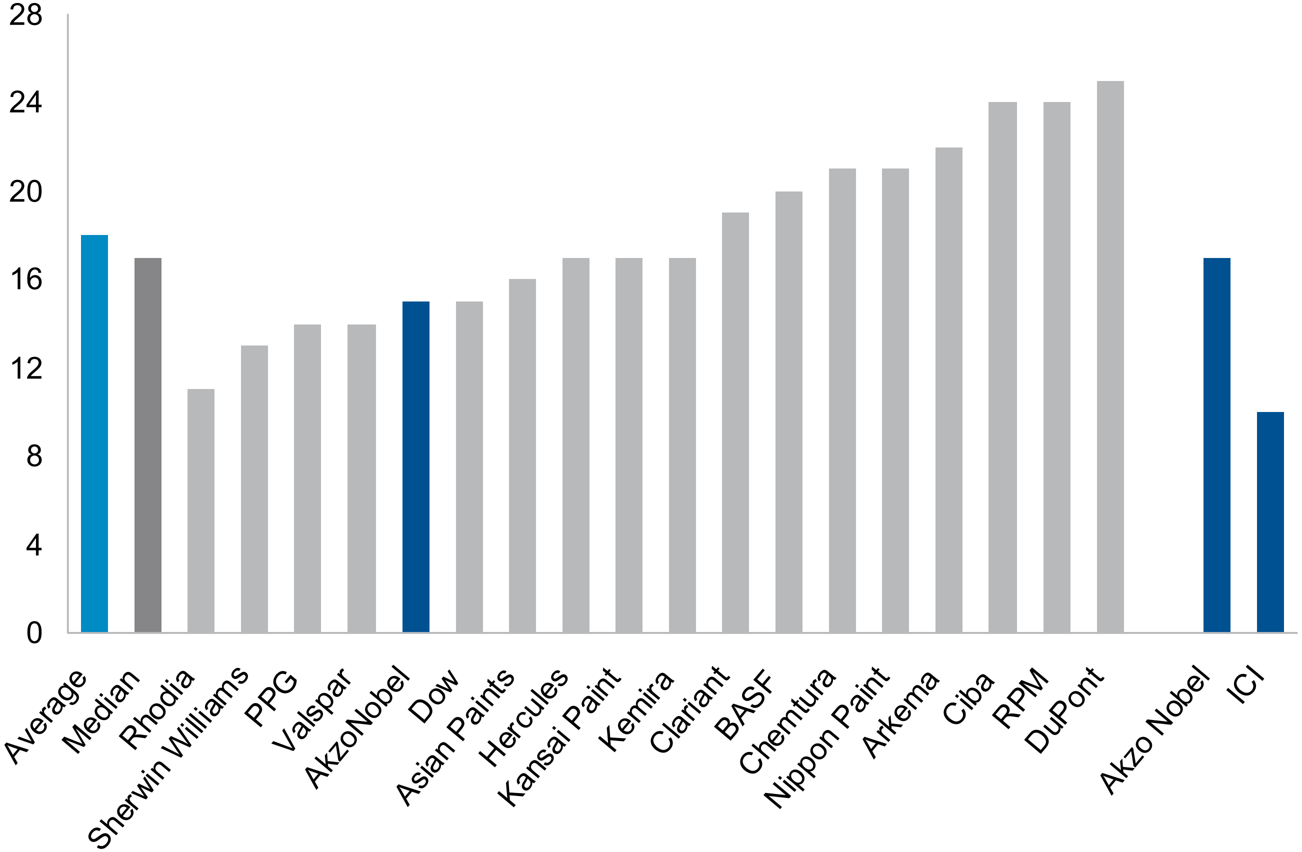
Managing Corporate and financial costs

- **Tax rate** expected to be around 27 - 28% through 2011
- **Financial charges** of €130 - 150 million through 2011
- **Adjusted net debt** expected around €2 billion through 2011
- Allocation of **Corporate costs** is being reviewed
- Besides corporate costs, the **"other" line** includes pensions, IAS adjustments and captive insurance costs
  - We will improve transparency/guidance of the "other" line
  - Update at the Q4 2008 results conference call

Operational effectiveness also includes Corporate costs savings program concluded by the end of 2011

Operating working capital better than most peers, but considerable upside potential

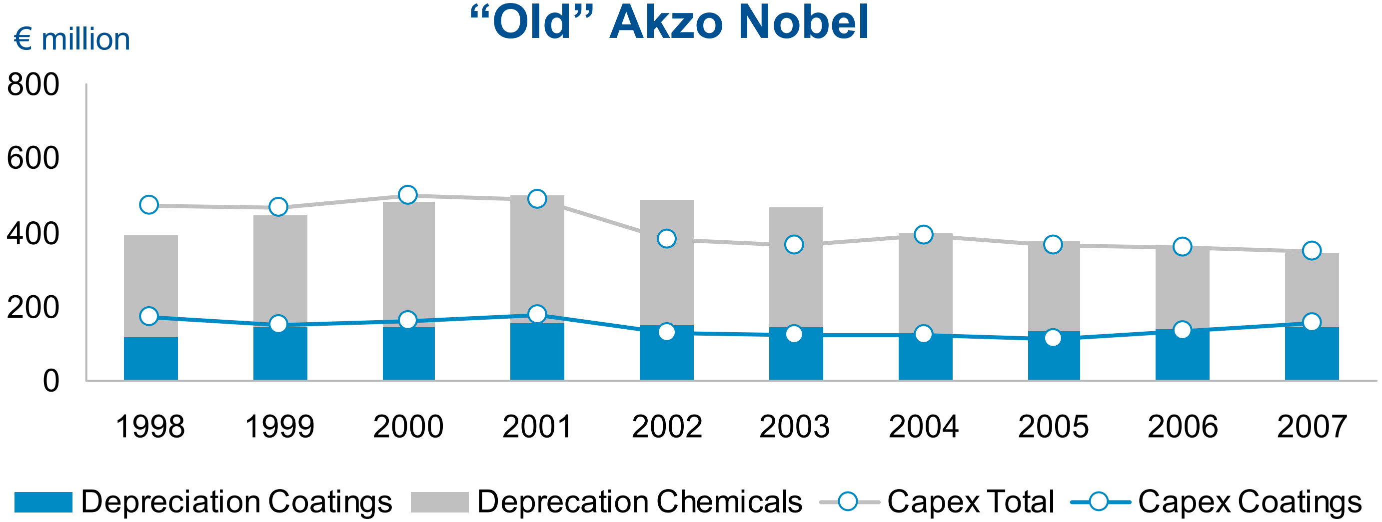
Operating working capital % of revenue, year-end 2007



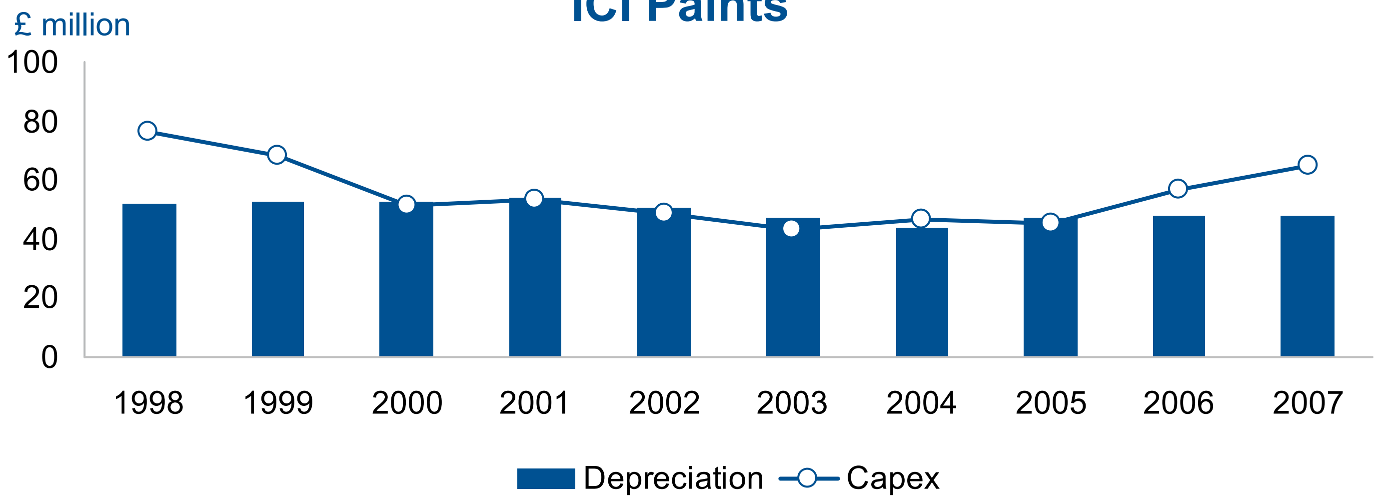
Target is to further improve

Disciplined capital expenditure

"Old" Akzo Nobel



ICI Paints



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Maintain focus on disciplined capital allocation

- 2008 expect €550 - 600 million (Ningbo €95 million)
- 2009 expect €700 million (Ningbo €150 million)
- 2010 expect €600 million (Ningbo €50 million)
- 2011 expect around depreciation level (€500 million)
- Focus: maintain in mature markets, expand in emerging markets
- Additionally, continue to look for bolt-on acquisitions that create value

Safe Harbor Statement

This presentation contains statements which address such key issues as Akzo Nobel'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.