
March 30, 2009
Dutch investor meetings

Focus on Decorative Paints

Tex Gunning



AkzoNobel profile

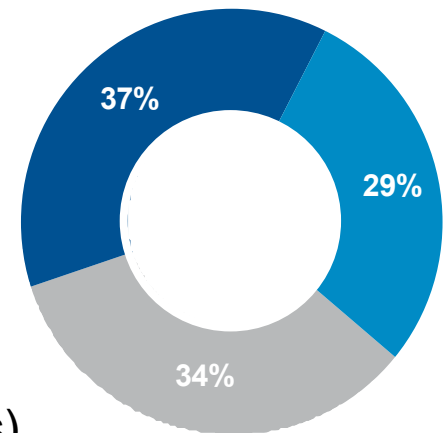
AkzoNobel Key facts

2008

- Revenue €15.4 billion
- Around 60,000 employees
- ICI integration ahead of schedule
- EBITDA: €1.9 billion¹
- EBIT: €1.4 billion¹
- Net income: (€1.1) billion²
- Ratings: BBB+ (S&P) and Baa1 (Moody's)

Revenue by segment

- Decorative Paints
- Specialty Chemicals
- Performance Coatings



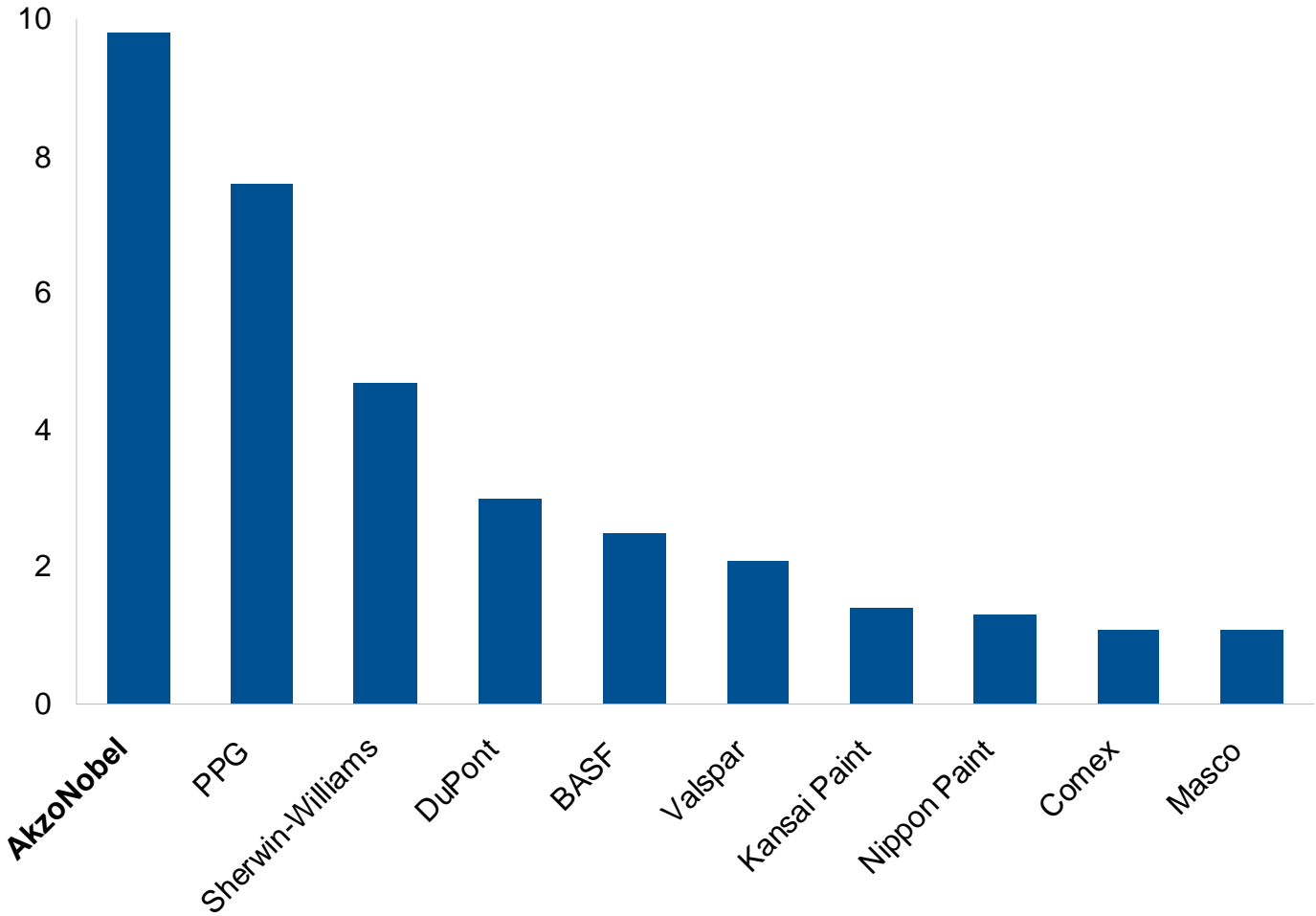
¹Before incidentals

²Including impairment of ICI intangibles of €1.2 billion after tax and incidental charges of €0.6 billion







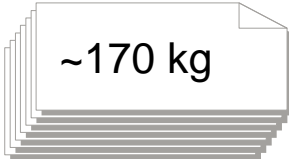
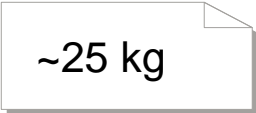


AkzoNobel is the world's largest Coatings supplier

€ billion, 2007 pro forma



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



Low fixed costs as a percentage of revenue

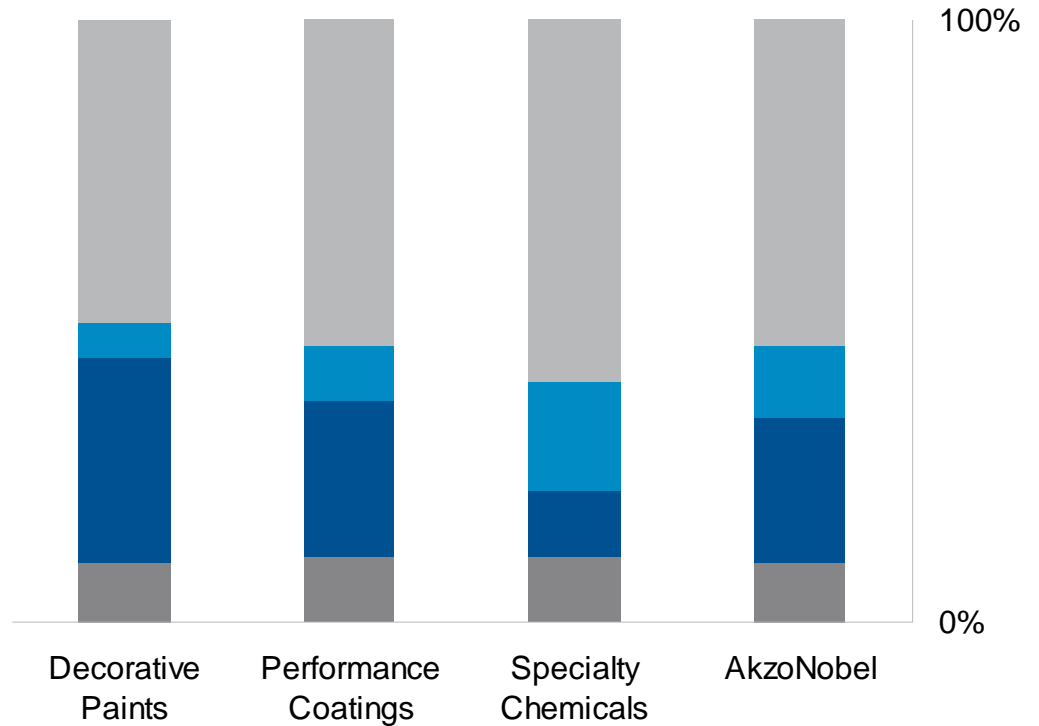
% of revenue, indicative

Raw materials,
energy, and
other variable
production costs



**Fixed production
costs**

**Selling, advertising,
administration, R&D
costs**

EBIT margin



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



Decorative Paints Today

Where we are today

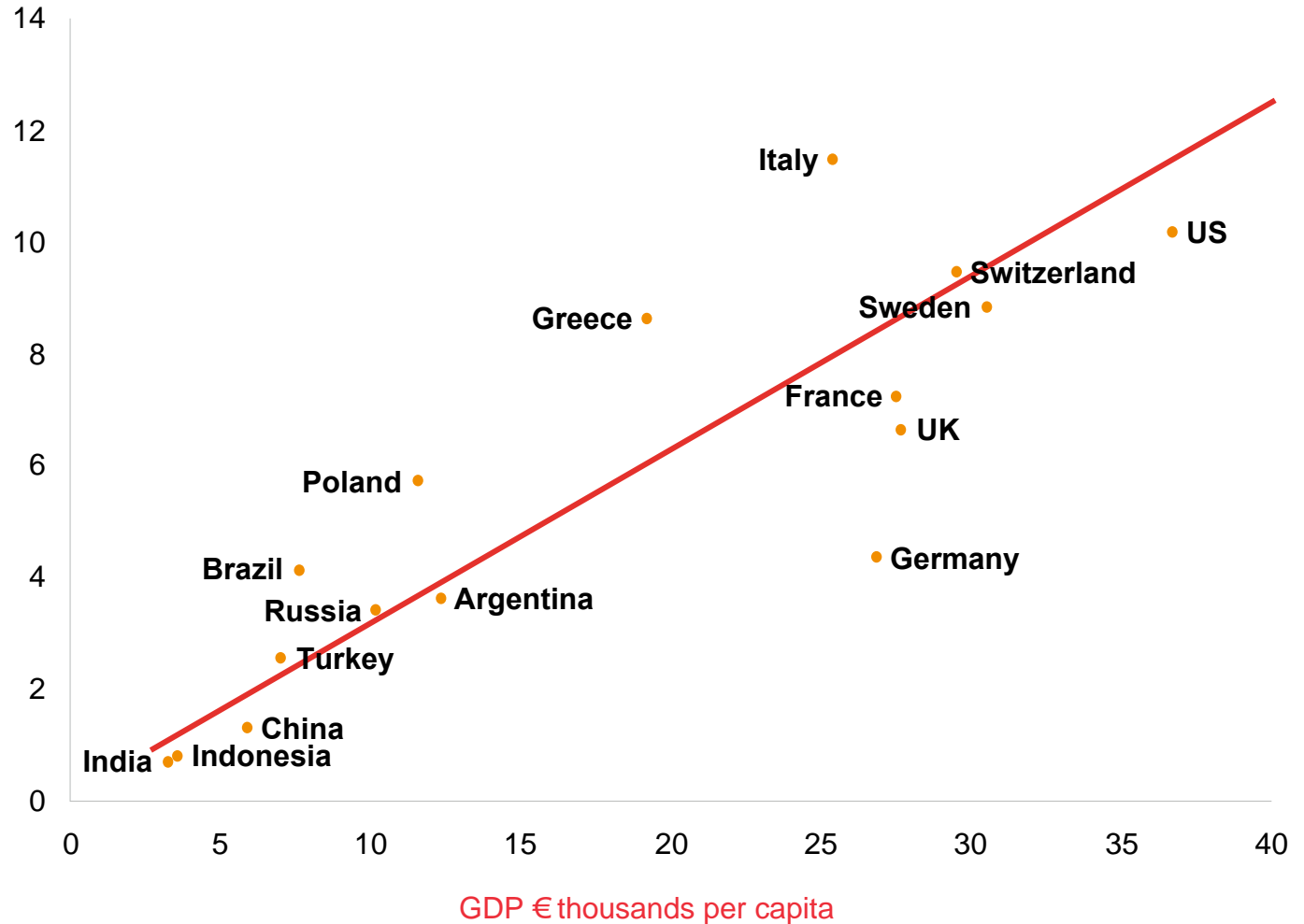
AkzoNobel is the leader and only truly global player in the attractive Decorative Paints market

- Significant growth potential, particularly in emerging markets
- Cyclical and customer concentration is reasonably low
- Excellent geographic spread with many leadership positions and strong brands
- High focus on innovation
- Low fixed costs and capital expenditure yield strong cash flow



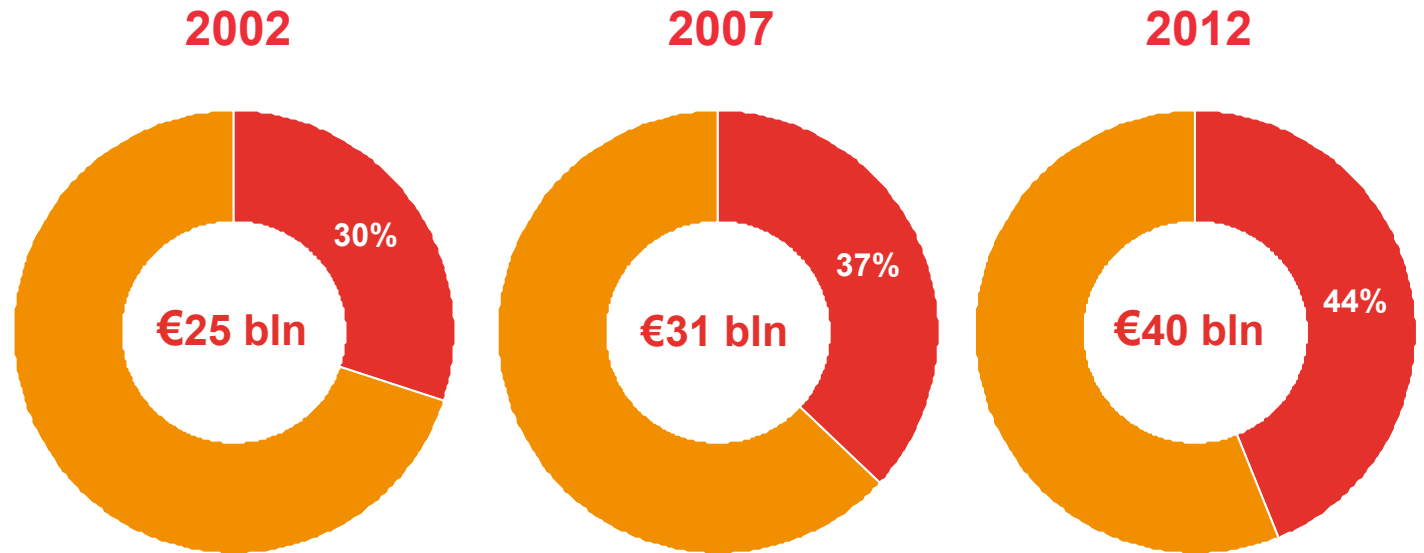
GDP growth drives paint consumption

Liters paint per capita



Share of emerging markets is steadily growing

% of total Decorative market



■ Emerging markets
(Eastern Europe, Russia, Turkey, Latin America, Asia Pacific)

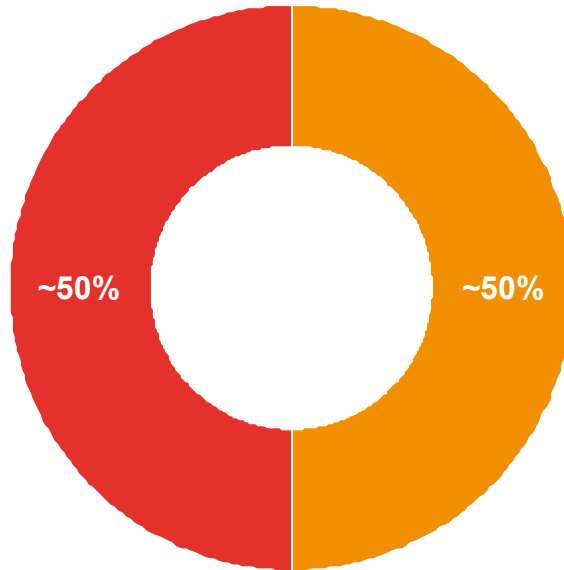
Source: Euromonitor basis; AkzoNobel analysis; *estimate



Combination of channel and application mix creates a stable market

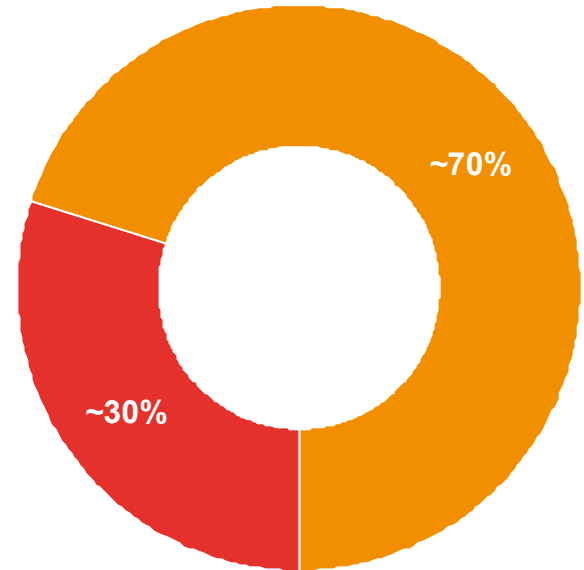
% of total Decorative market

Market breakdown by channel



■ Retail ■ Trade

Market breakdown by application



■ New build ■ Maintenance

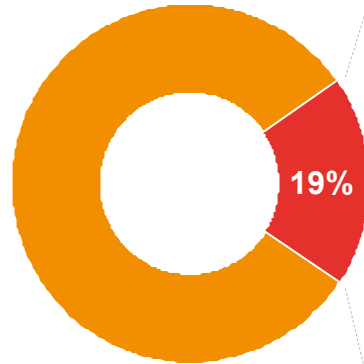
Source: Euromonitor basis; AkzoNobel analysis



Customer concentration is reasonably low

Decorative Paints Top 5 customers

% of revenue, 2007 pro forma
100% = €5.3 billion



The Home Depot



Kingfisher



Arena



Adeo

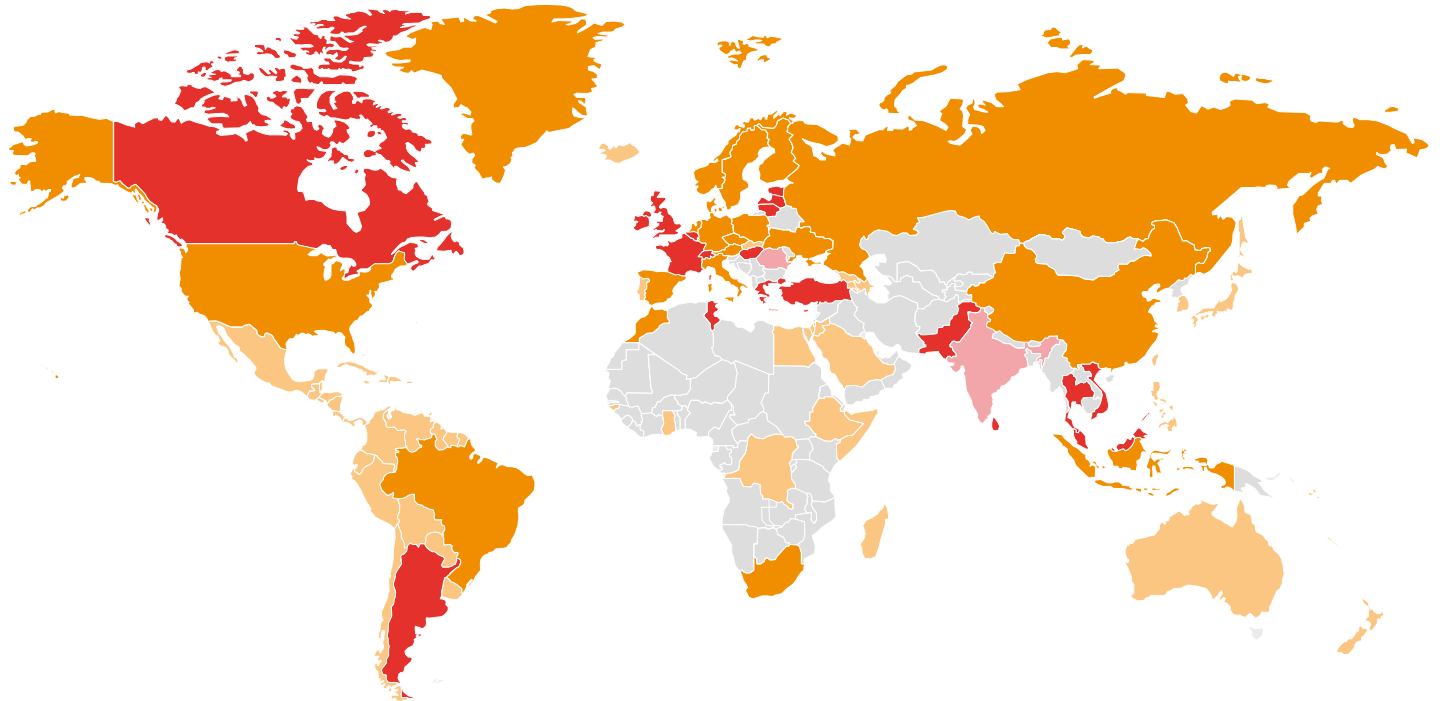


Homebase



Leading Deco positions in all regions with strong brands

AkzoNobel market positions



■ 1 ■ 2/3 ■ >3 ■ Export countries

Source: Euromonitor basis; AkzoNobel analysis



Delivering Tomorrow's Answers Today

Aggressive actions to capitalize on the strength of our portfolio

- Ensuring that we deliver on ICI synergies
- Growing the business organically
 - Emerging markets
 - Innovation
- Focusing and strengthening our brand portfolio
- Improving our contribution margins through improved procurement and pricing
- Reducing costs through increased operational effectiveness
- Managing capital in a disciplined manner

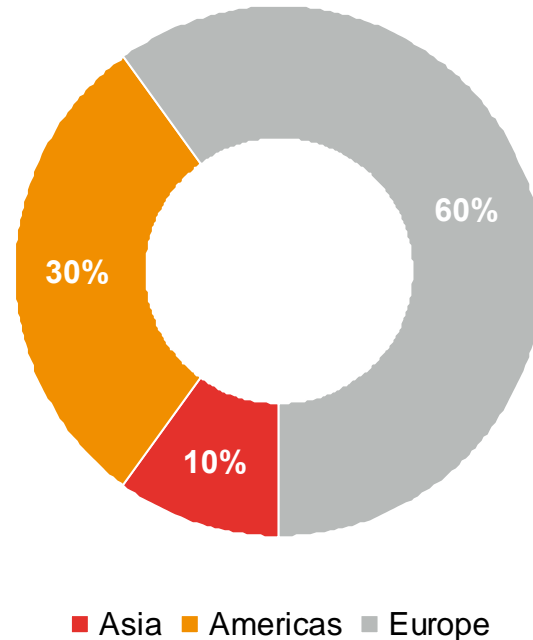


Decorative Paints synergies are coming from all regions and are ahead of schedule

	2008	2009	2010
Announced in April	10%	40%	50%
New schedule	20%	50%	30%

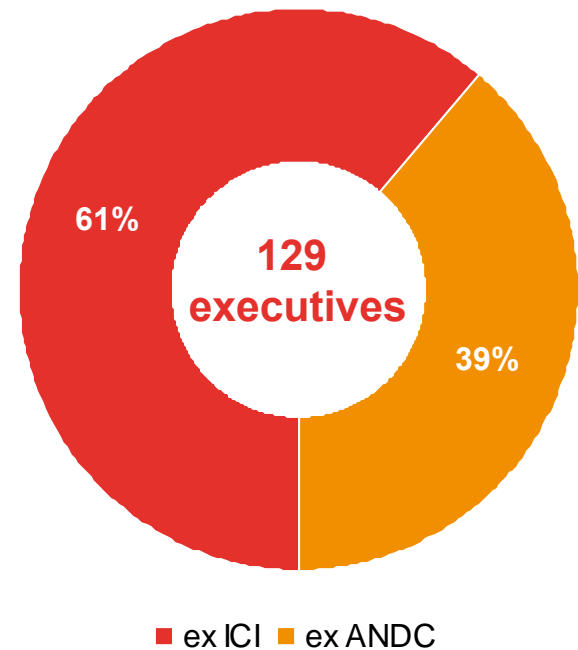
Origin of synergies

Savings by region, indicative



Integration in Decorative Paints has created a “best of both” team

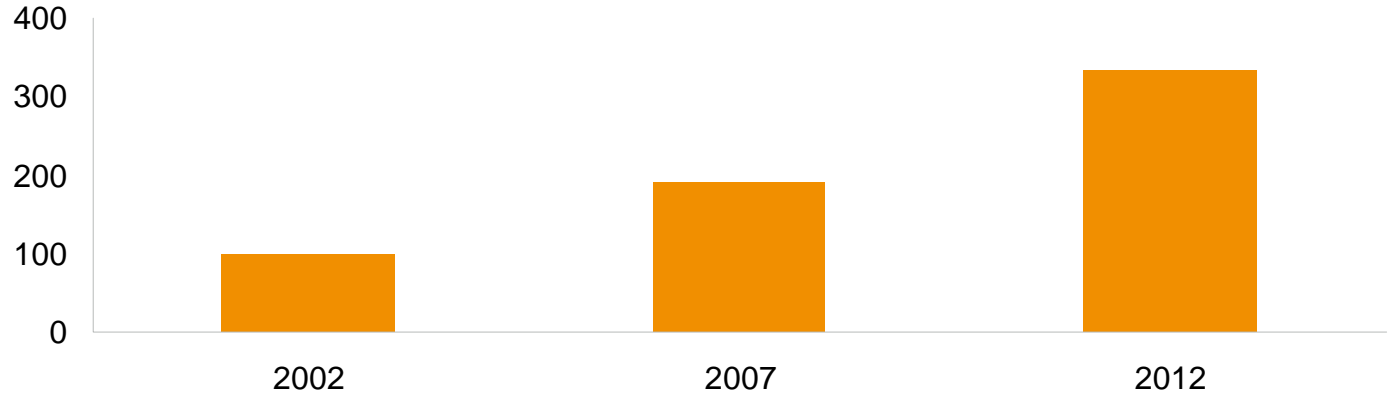
- All Business Unit management positions and country management in place
- Retention of people in key leadership positions is >95%



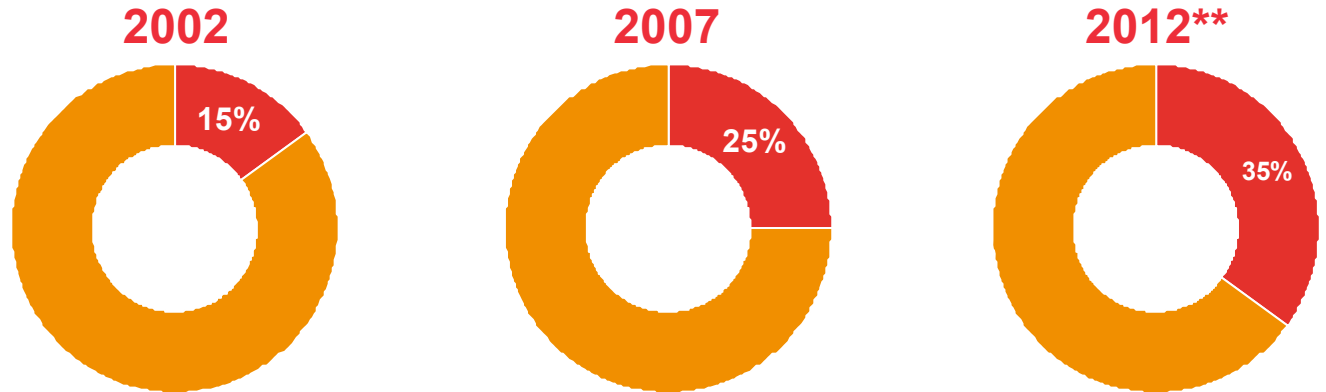
Dynamic growth in emerging economies

Sales to emerging countries*

Index 100 = sales 2002



% of revenues



*Eastern Europe, Russia, Turkey, Latin America, Asia Pacific; **estimate



Technology and innovation are driven globally against clear platforms

Global approach established to drive innovation

- Establish global innovation platforms
- Manage the global innovation portfolio
- Prioritize resource allocation
- Draw on corporate-wide expertise

Strong track record of delivery against key innovation platforms

- Great Looks
- Surfaces That Do More
- Making Decoration Easy
- Eco-Premium



We already have a strong track record in our innovation platforms

Great Looks

Dulux Light & Space

- Makes rooms look more spacious
- Launched in Europe and Asia



Surfaces That Do More

Dulux Anti Formaldehyde Paint

- Protecting against formaldehyde
- Launched in China in October 2007
- Already representing 3% of sales



Eco-Premium

The Freshaire Choice

- Zero VOC paint & colorant system
- Launched in USA in 2008
- Available in 2,000 The Home Depot stores
- GREENGUARD certified



Making Decoration Easy

Dulux paintpod

- Revolutionary powered roller paint system
- 100.000 units sold in the UK in just 4 months



Cuprinol Sprayable

- New convenient fence and deck treatment
- Has grown the sector by 45% in two years in a static UK market



Driving towards fewer, stronger brands

Before Integration


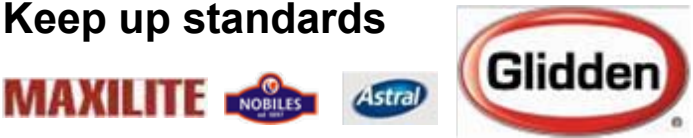




- More than 80 brands, diverse brand positioning, managed locally
- Complex product portfolio, country level innovation and communication plans

After Integration

- Focus on few, powerful brand clusters to drive growth
- Harmonized
 - Product portfolios to reduce complexity
 - Innovation plans to drive speed to market and cross market leverage
 - Communication ideas (tailored executions)



End point - focusing on fewer brand clusters with clear positioning

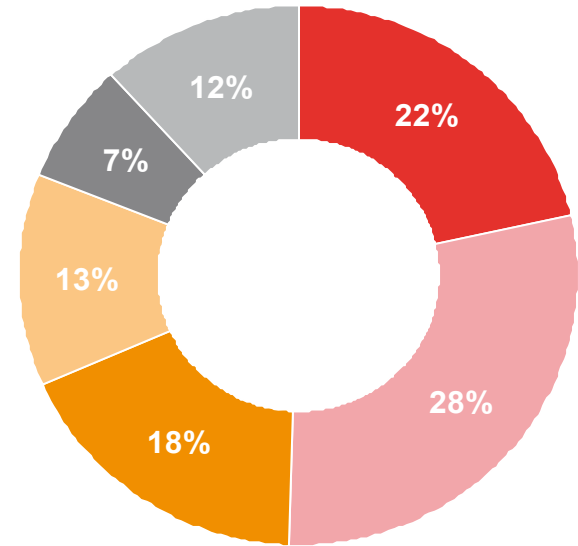
Brand positioning	% sales*
Performance & Color 	43% Dulux=25%
Keep up standards 	18% Glidden=12%
Professional exclusive 	9% Sikkens=6%
Woodcare Specialist 	4%
Predeco 	4%
Specialist paint 	1%

* Sales excluding sales accessories/sundries through stores



We have a strong position in procurement

- Total raw material spend 2007 was €1.8 billion
- 50% of raw material spend with top 20 suppliers
- We are in the top 3 coatings customers for all of these suppliers



- Resins & Binders
- Packaging Materials
- Titanium Dioxide
- Additives
- Solvents & Diluents
- Other



We will continue to benefit from our scale in procurement

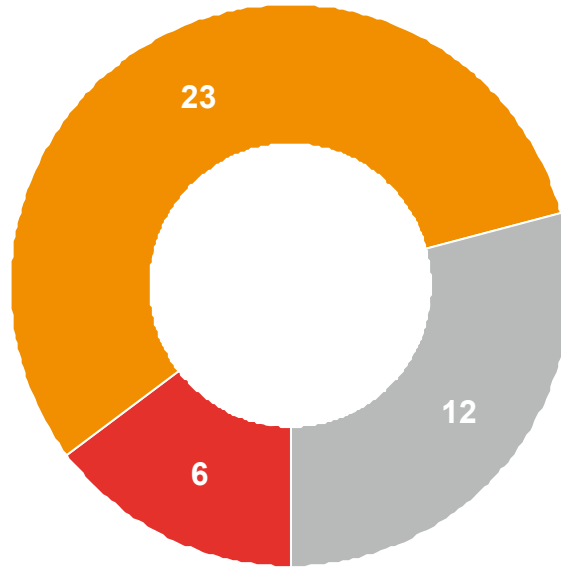
Further opportunities to leverage our buying power beyond synergy effects

- Effects of brand harmonization and complexity reduction
- Synergies with Performance Coatings
- Captive use of Specialty Chemicals products (resins)



We have been successfully raising prices in all markets during 2008

Successful price increases



■ 3 times ■ 2 times ■ 1 time

Ongoing actions

- Further price increases being implemented
- Continuous review of raw material impacts on margins
- Detailed pricing capability improvement programs built on successful programs in ICI Paints and AkzoNobel Specialty Chemicals
- Country-by-country roll out

Price increases recovered all raw material inflation in 2008



Capable management team in place - Regional Leadership Team

Americas



Erik Bouts*
United States



Pierre Dufresne**
Canada



Jaap Kuiper
Latin America

Europe



Antoine Fady*
Continental
Europe



Ruud Joosten**
Northern &
Eastern
Europe



Richard Stuckes*
UK, Ireland &
South Africa,
Building
Adhesives

Asia



Tony Britt**
Asia

* ex ICI Paints
** ex Akzo Nobel Decorative Coatings



Q4 & FY 2008 results

Operational review Decorative Paints



Decorative Paints: Margin management compensated for volume decline

- Revenue in Europe in 2008, in constant currencies, stable
- Significant cost reduction in Europe
- UK market share holding up
- US revenue declined by 9 percent due to recessionary market conditions
- Asia delivered double-digit constant currency revenue growth in 2008; in Q4 volumes declined, compensated by margin management
- A year marked with restructuring, integration and margin management

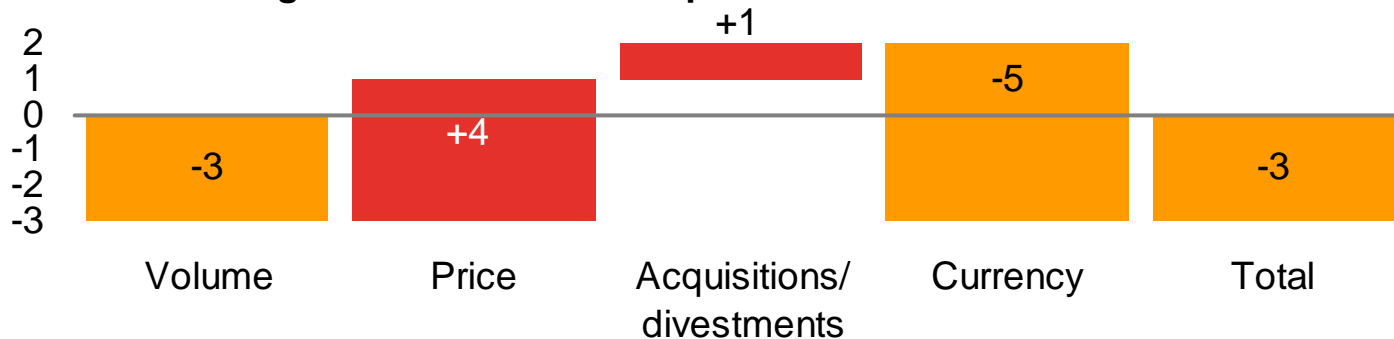


Decorative Paints full year 2008: resilient performance

€ mln	2008	Δ%
Revenue constant currencies	5,385	2
Revenue reported	5,118	(3)
EBITDA constant currencies	628	–
EBITDA reported	593	(6)

Ratio, %	2008	2007
EBITDA margin reported	11.6	11.9

Total revenue growth 2008 vs. 2007 pro forma



Before incidentals; 2007 pro forma

■ Increase ■ Decrease

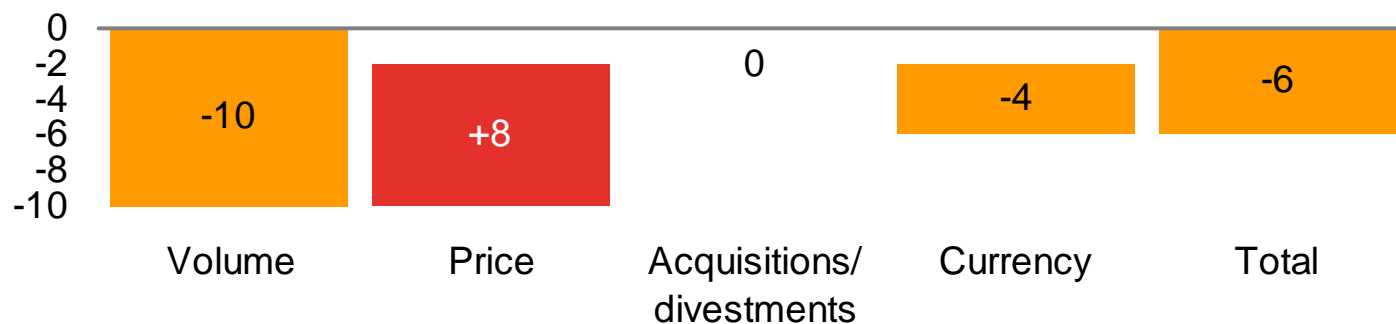


Decorative Paints Q4: lower volumes impact profitability

€ mln	Q4 2008	Δ%
Revenue constant currencies	1,179	(2)
Revenue reported	1,128	(6)
EBITDA constant currencies	101	(20)
EBITDA reported	89	(29)

Ratio, %	Q4 2008	Q4 2007
EBITDA margin reported	7.9	10.5

Total revenue growth Q4 2008 vs. Q4 2007 pro forma



Before incidentals; 2007 pro forma

■ Increase ■ Decrease



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, 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.

