

Bernstein 14th Annual Pan European Strategic Decisions Conference

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Step change in growth and long-term value creation

AkzoNobel

Paints and Coatings

Strategy: Create two focused businesses

- Separation within 12 months
- Dual-track process with project teams in place
- Focused Paints and Coatings strategy

Accelerating sustainable growth and profitability

- Clearer customer focus
- Fit for purpose organization and processes
- €150m savings per year from continuous improvement

2017
guidance¹
EBIT
+€100m

2020
guidance¹
ROS 15%
ROI >25%

Increased shareholder returns:

- 50% higher dividend for 2017²
- €1bn special cash dividend
- Vast majority of net proceeds returned³

Strong financial and operational foundation

1) Excluding unallocated corporate center costs and invested capital; assumes no significant market disruption;

2) Dividend per share €1.65 for Paints and Coatings in 2018; 3) Specialty Chemicals separation

Accelerating sustainable growth and value creation

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- Capacity expansions in Brazil, Mexico, Sweden and Thailand
- Two acquisitions announced to strengthen Performance Coatings business
- Decorative Paint product launches including Levis in China and EasyCare in Brazil
- New set-up for Executive Committee
- Specialty Chemicals separation process on track for completion by April 2018



World class Specialty Chemicals business

€4.8_{bn} revenue

€953_m EBITDA

€629_m EBIT

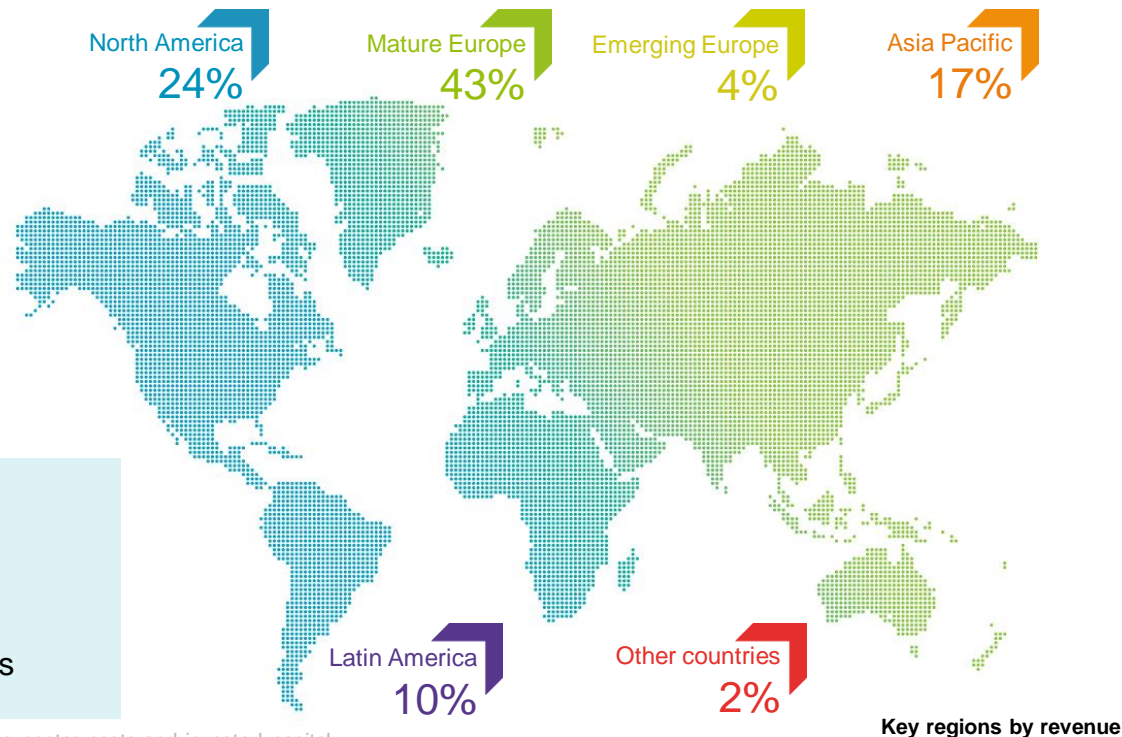
13.2% ROS

17.9% ROI

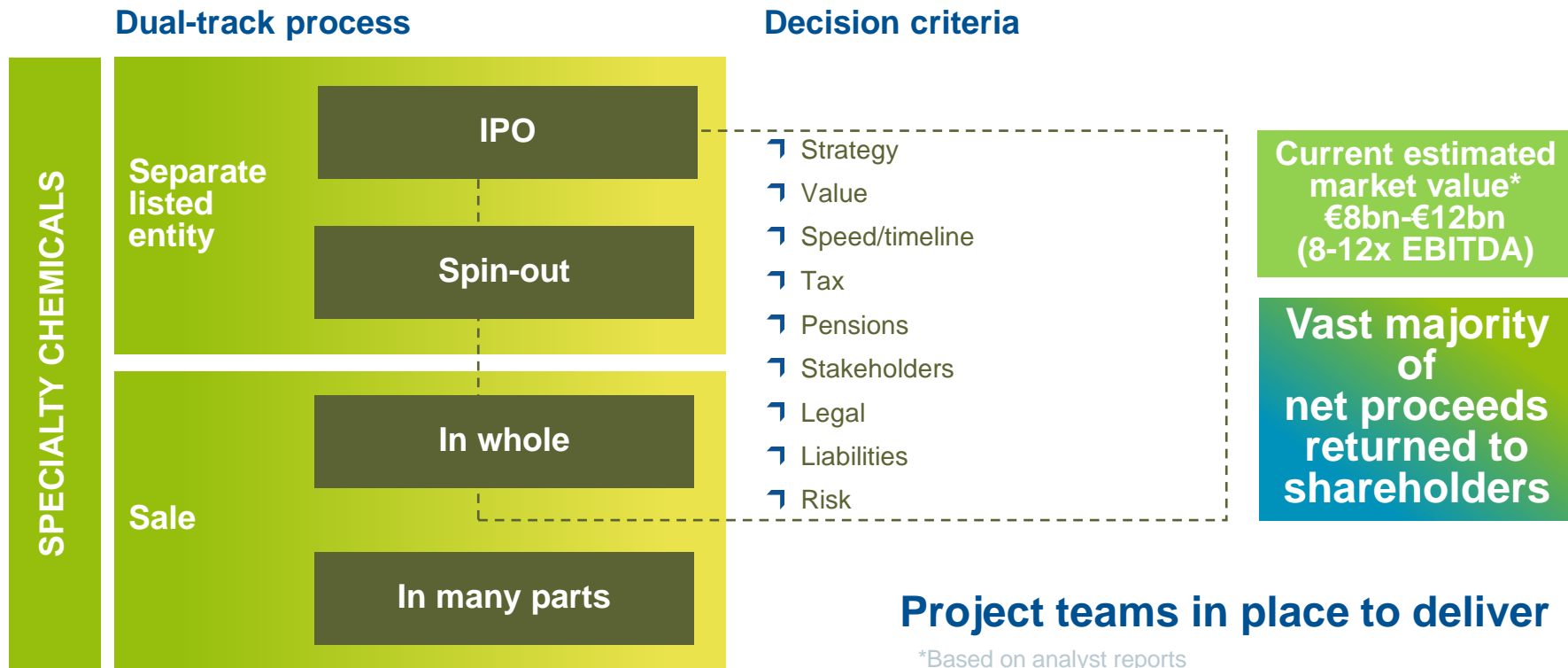
9,000 people

- ↗ Balanced portfolio of interlinked businesses
- ↗ High profitability in all businesses
- ↗ Proven resilience of portfolio through cycles
- ↗ Leadership positions in high growth segments

* All figures are based on year-end 2016, excluding unallocated corporate center costs and invested capital



Dual-track process for separation within 12 months

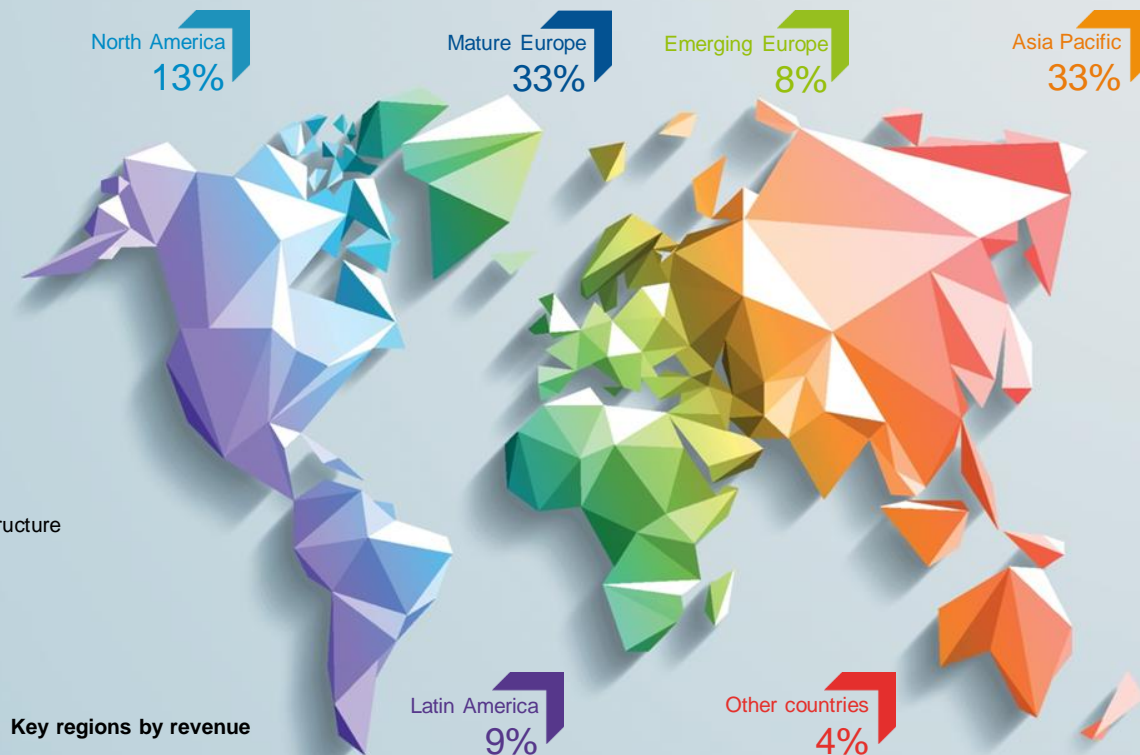
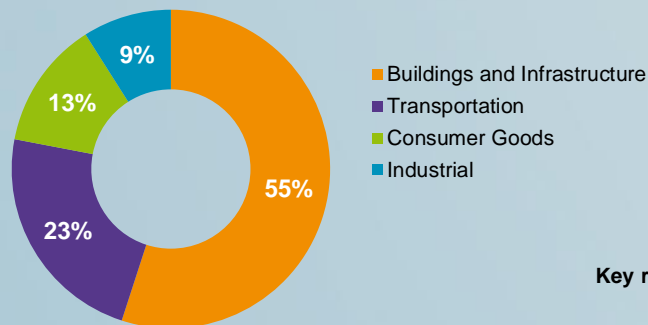


The new world of Paints and Coatings

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€9.5bn revenue
€1.4bn EBITDA
€1.1bn EBIT
11.7% ROS
20.8% ROI
34,400 people

Revenue by end-user segment



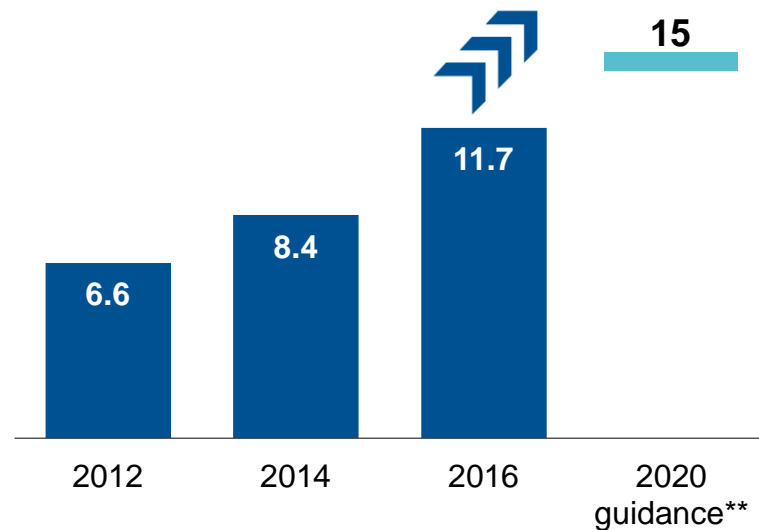
All figures are based on year-end 2016, excluding unallocated corporate center costs and invested capital

Well positioned to accelerate growth and enhance profitability

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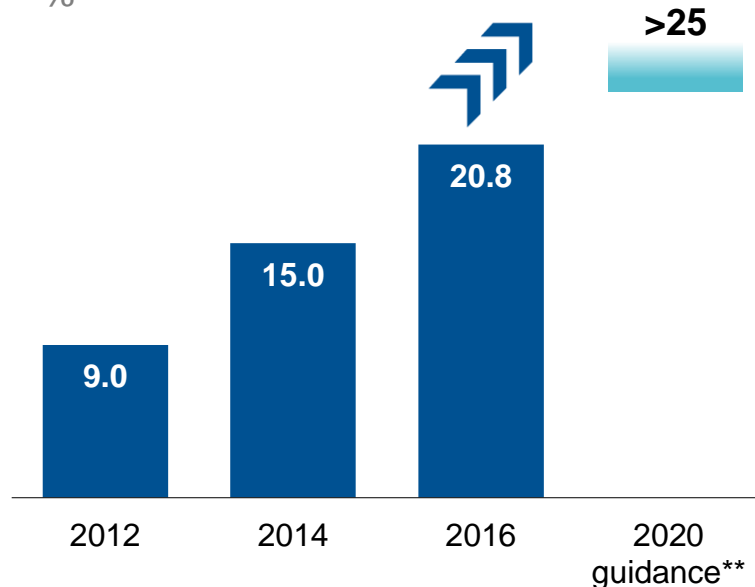
Return on sales*

%



Return on investment*

%



*ROS% = EBIT/revenue and moving average ROI (in %) = 12 months EBIT/12 months average invested capital

**Excluding unallocated corporate center costs and invested capital; assumes no significant market disruption

Mixed market environment

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Volumes up for Paints and Chemicals and price/mix effects improving

Decorative Paints

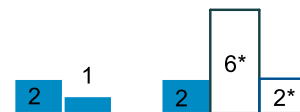
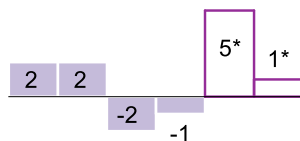
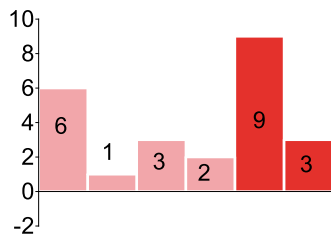
Performance Coatings

Specialty Chemicals

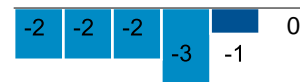
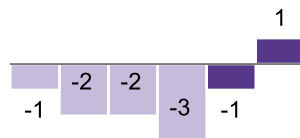
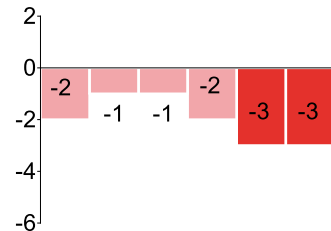
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2016
2017

Quarterly volume development in % year-on-year

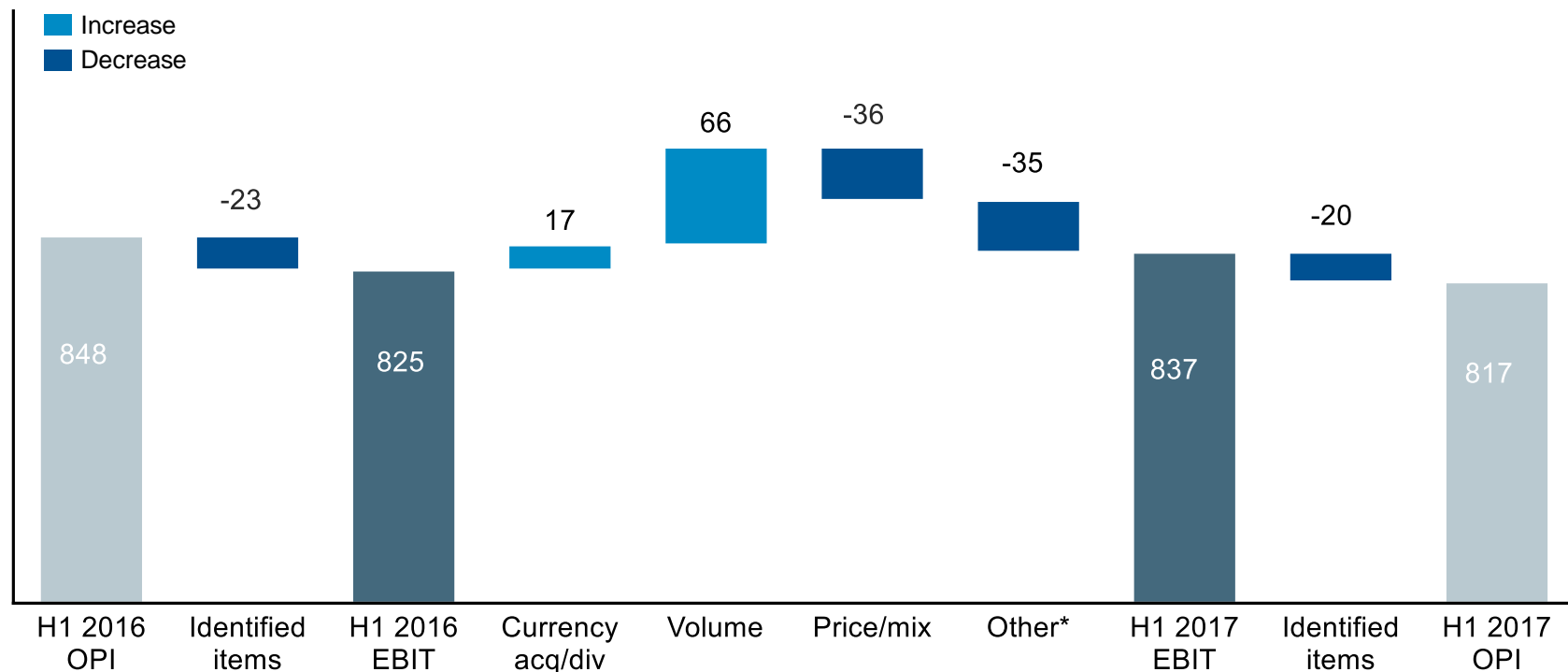


Quarterly price/mix development in % year-on-year



* Includes acquisitions

Higher volumes while increased raw material costs not yet fully compensated



* Other includes raw materials, restructuring costs and productivity improvements, wage inflation, depreciation and amortization

Questions

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Colorful mural celebrates community spirit: Artists from Argentina and Belgium have transformed one of the biggest slums in Buenos Aires. We donated more than 400 liters of our Alba decorative paints brand to help create a colorful open air gallery in Saldías. The main mural, which covers an area of around 800 square meters, celebrates the people and spirit of the local community.