



Rob Frohn, CFO

Q2 2006 Results
Organon and Coatings drive strong performance

July 20, 2006

Q2 2006 headlines

- Strong autonomous growth, across all segments
- Net income nearly doubled
- Strong financial position

Q2 OPERATIONAL PERFORMANCE

Strong operational performance

<i>EUR mln</i>	Q2-2006	Δ%
Revenues	3,574	7
EBIT*	365	9
Net income	361	98

<i>Ratios</i>	2006	2005
EBIT margin*, %	10.2	10.0

* *Excluding incidentals*



Organon – U.S. approval for Implanon™



- **Further strong revenue growth in key franchises**
 - Revenues up 12%, contributing to 49% rise in operating income
 - NuvaRing® accelerating in U.S.; over 1 million users world-wide
 - Biotech product Puregon® enjoys record quarter

- **Investing in pipeline**
 - R&D expenses EUR 125 million, up 26%

Organon – continued strong growth

<i>EUR mln</i>	Q2-2006	Δ%
Revenues	675	12
EBIT*	104	49

<i>Ratios</i>	2006	2005
EBIT margin*, %	15.4	11.6
S&D % revenues	31.3	32.7
R&D % revenues	18.6	16.6

*Excluding incidentals



Intervet – autonomous growth of 6%

- Revenues ongoing business up 6% to EUR 280 million
- Strong growth in Americas and Europe
- EBIT margin slightly down – higher selling expenses
- Focus on core activities; Crina (feed additives) divested

Intervet – autonomous growth of 6%

<i>EUR mln</i>	Q2- 2006	Δ%
Revenues ongoing business	280	6
EBIT*	51	(6)

<i>Ratios</i>	2006	2005
EBIT margin*, %	18.2	19.5
S&D % revenues	25.9	24.2

*Excluding incidentals

- Nobilon is active in the field of human vaccines
- Contract with Netherlands Vaccine Institute (NVI) to develop vaccine against respiratory syncytial virus (RSV)
- RSV is a viral infection which can prove fatal to young children and the elderly; no preventive treatment by vaccine is currently available

THE GLOBAL COATINGS REPORT 2006

PAINTING A PICTURE OF THE INDUSTRY



- First ever overview of Global Coatings Market
- World wide Coatings market; USD 86 billion
- Akzo Nobel #1 with appr. 8% market share
- Highly attractive growth opportunities

Coatings – record quarter, strong profit growth

- Excellent 6% volume growth; revenues up 9% to EUR 1.6 billion
- Solid demand in China
- Ongoing pressure from raw materials
- Cost reduction programs continue in mature markets
- EBIT and EBIT margin sharply up
- Completed acquisition Sico, Canada's largest coatings manufacturer

Coatings – enhancing consumer electronics



Coatings – record quarter, strong profit growth

- Industrial activities – excellent performance
- Marine & Protective Coatings – strong earnings growth
- Car Refinishes – back on track
- Decorative Coatings – challenging business conditions in Europe

Coatings – record quarter, strong profit growth

<i>EUR mln</i>	Q2-2006	Δ%
Revenues	1,643	9
EBIT*	175	21

<i>Ratios</i>	2006	2005
EBIT margin*, %	10.7	9.7

*Excluding incidentals



Chemicals – key ingredients for top performance



- Autonomous growth of 7% to EUR 981 million
- Volume contributing 3%; prices up 4%
- Ongoing pressure from high energy cost and oil-related feedstock
- EBIT and EBIT margin up year-on-year
- Divestment program close to finalization



Chemicals – autonomous growth; increasing energy impact

- Pulp & Paper and Base Chemicals – improved performance in spite of increasing energy pressure
- Polymer Chemicals – excellent performance buoyed by strong demand



Chemicals – autonomous growth; increasing energy impact

<i>EUR mln</i>	Q2-2006	$\Delta\%$
Revenues	981	2
EBIT*	80	14

<i>Ratio</i>	2006	2005
EBIT margin*, %	8.2	7.3

**Excluding incidentals*

FIRST HALF YEAR FINANCIAL PERFORMANCE

First half year - strong earnings growth

<i>HY, EUR mln</i>	2006	Δ%
Revenues	6,966	9
EBIT*	697	15
Net income	610	30

	2006	2005
EBIT margin*, %	10.0	9.5
Number of employees	62,440	61,640

**Excluding incidentals*

<i>Cash flow, EUR mln</i>	1HY-2006	1HY-2005
EBITDA	1.004	1.040
Net cash from operations	168	(31)
Net change in cash	(144)	(446)
Capital expenditures	214	233

- Capital expenditures estimate 2006 EUR 500 million

Strong financial position

<i>June '06 / Dec. '05; EUR bln</i>	2006	2005
Equity	3.9	3.6
Net borrowings	1.7	1.6
Gearing (ratio)	0.45	0.44
<i>YTD ratios</i>	2006	2005
Interest coverage	10.1	10.7
EBITDA coverage	13.9	14.6

AGENDA 2nd HALF 2006

Organon

- Unlock value late stage product pipeline
- Continue to grow key franchises
- Roll-out Implanon™ in U.S.

Intervet

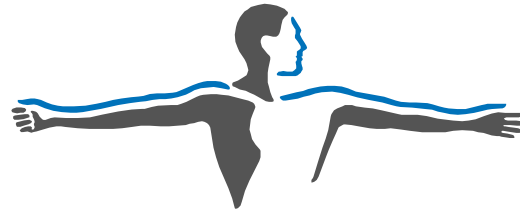
- Focus on core activities – continue roadmap improvements

Coatings/ Chemicals

- Identify further growth opportunities, organically and via acquisitions
- Focus on costs in mature markets (mainly EU)
- Conclude Chemicals divestment program

Trading update

- Confidence in the second half of the year



AKZO NOBEL

**Delivering on growth
Q2 2006 results
Q&A**

July 20, 2006



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, pharmaceutical 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, progress of drug development, clinical testing and regulatory approval, 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 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 corporate website www.akzonobel.com.

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