AkzoNobel
Tomorrow's Answers Today

April & May 2010

Investor update Q1 2010 results

Agenda

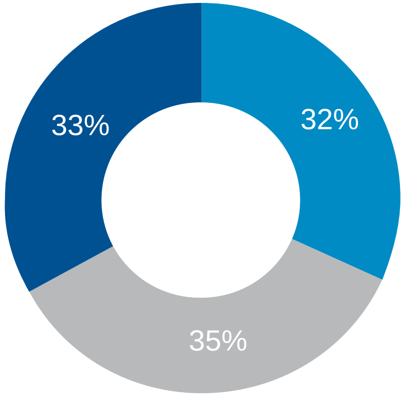
- AkzoNobel at a glance
- Strategic ambitions and action plans
- Q1 2010 highlights and operational review
- Financial review
- Sustainability review
- Outlook and medium-term targets

AkzoNobel key facts

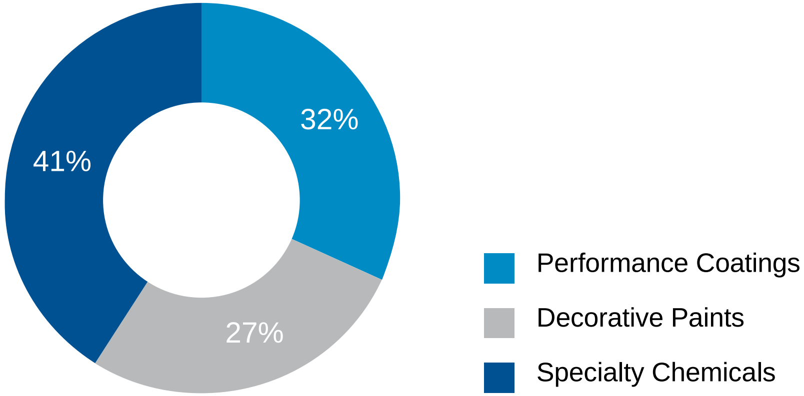
2009

- Revenue €13.0 billion
- 54,738 employees
- EBITDA: €1.7 billion*
- EBIT: €1.1 billion*
- Net income: €285 million
- Credit ratings: BBB+ (S&P) and Baa1 (Moody's)

Revenue by business area

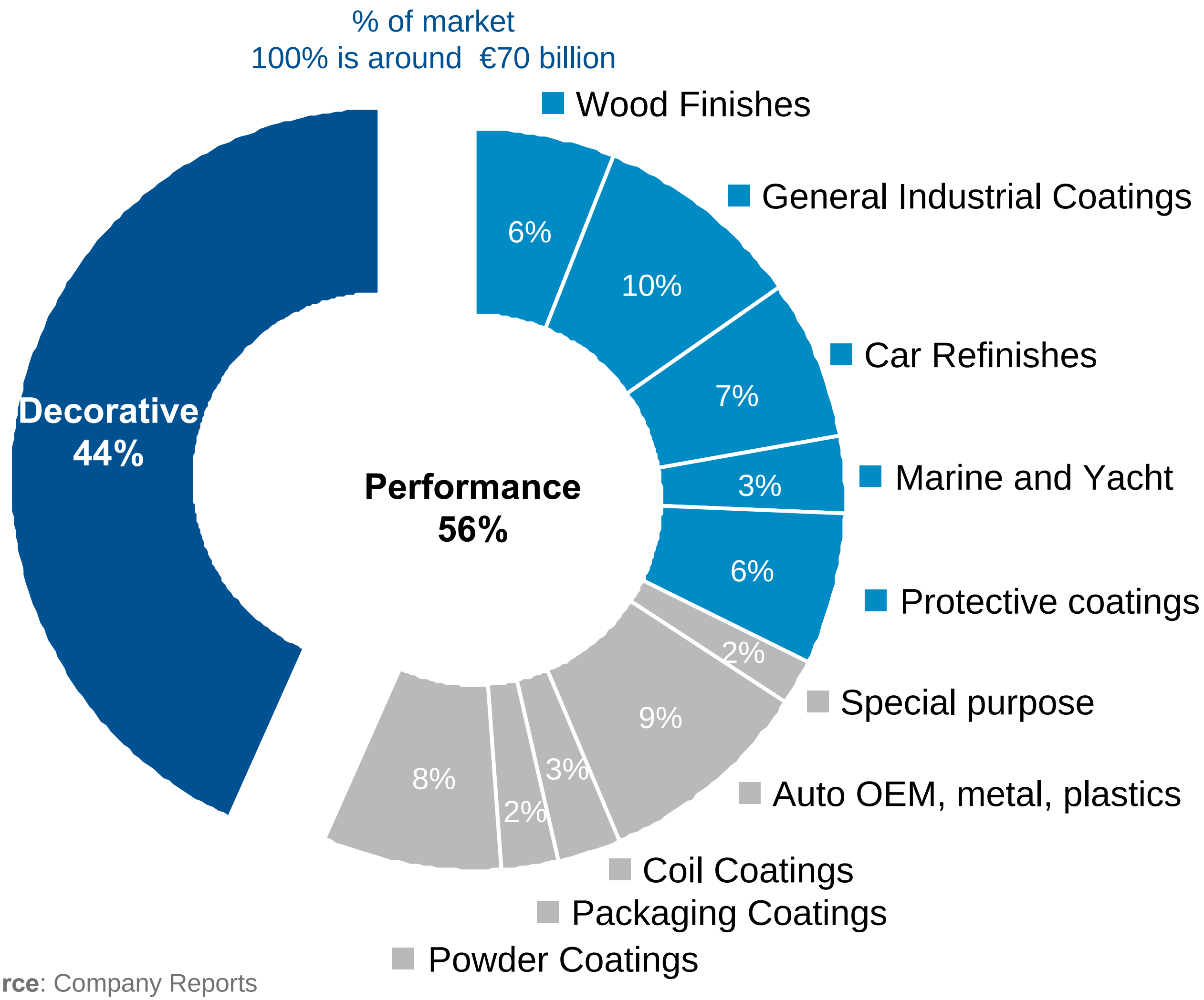


EBITDA* by business area



** Before incidentals. All data after reclassification of National Starch*

The global paints and coatings market is around €70 billion



Source: Company Reports

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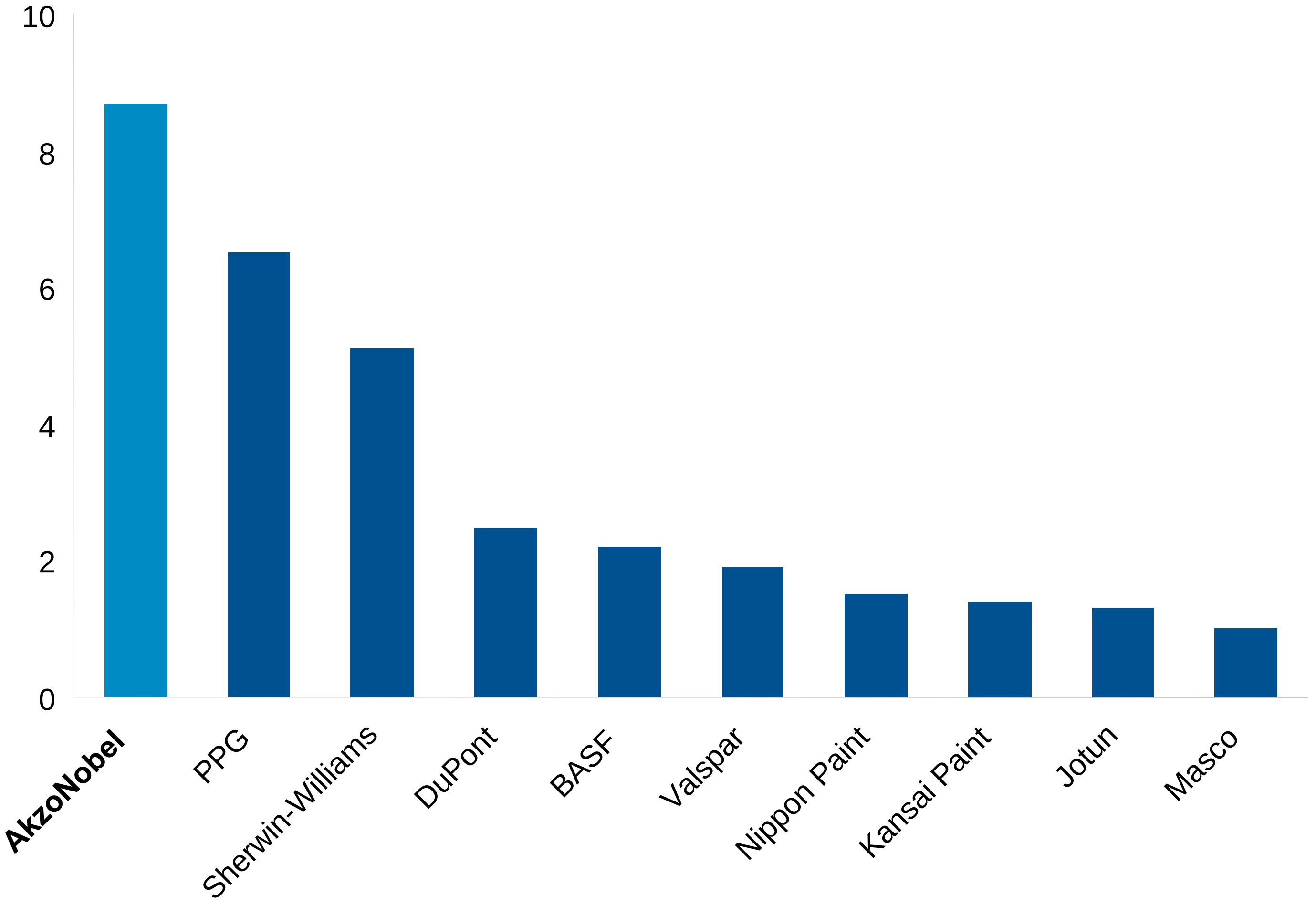
AkzoNobel is the world's largest Coatings supplier

2009 revenue in € billion



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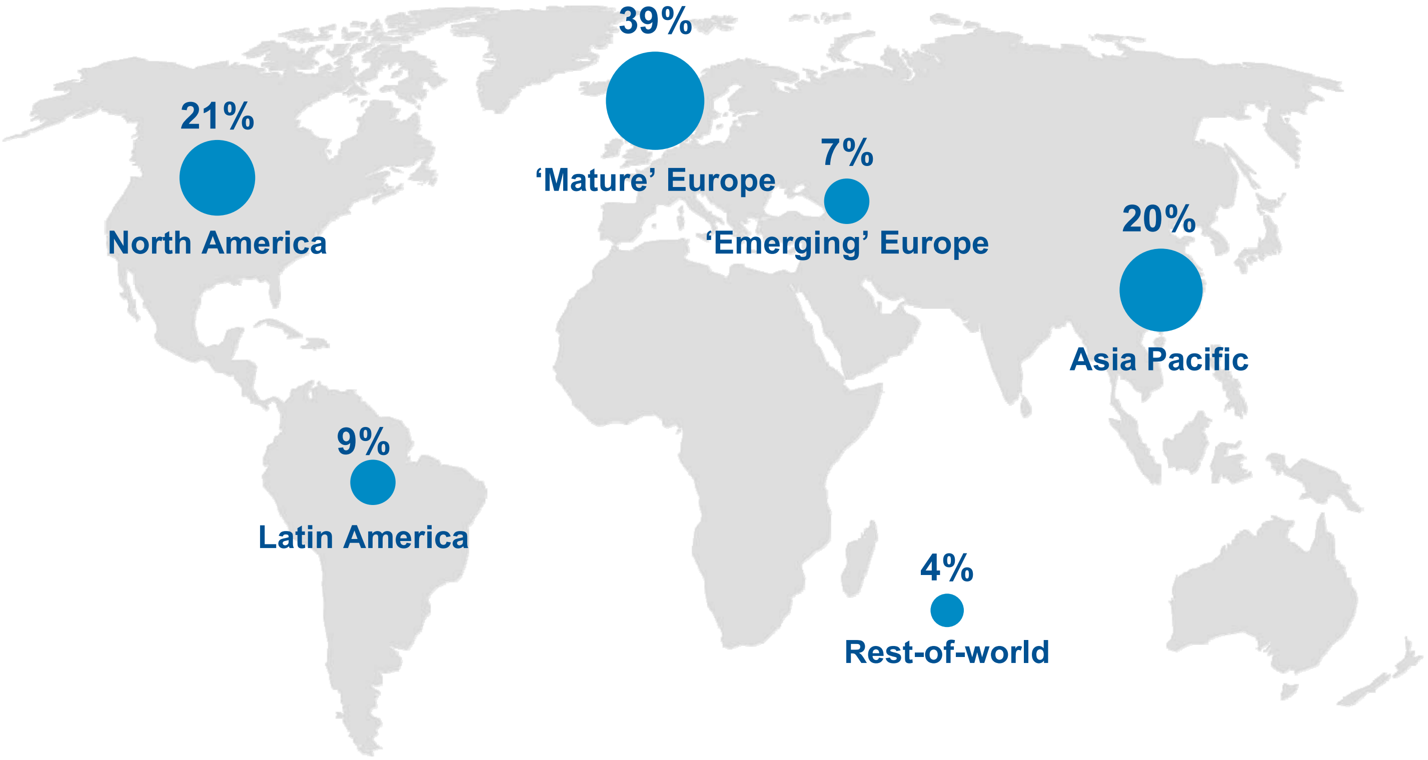
Excellent geographic spread of both revenue and profits

High-growth markets are important (37% of revenue)

% of 2009 revenue



High-growth markets profitability is above average

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

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We have strong brands across the full spectrum of our business

Biggest brands, per business area

% of 2009 revenue

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

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Successful customer focus

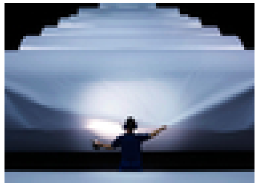
Sikkens Autoclear® LV Exclusive – Self-healing clearcoat

A high gloss clearcoat that is not only highly resistant to scratches and easy to apply, but also features self-healing properties when exposed to heat.

Ecosense – better for *your world* and *the world*

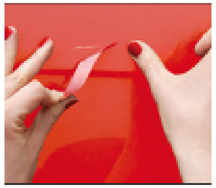
To be launched in March, the Ecosense paint line offers no added solvents making it virtually odor free. It also has an improved ecological footprint reducing waste, water and CO_2 with up to 50%.

Compozil® Fx – Better performance. Exceptional results



A wet end management system for the largest and fastest paper machines helping to deliver top quality paper faster with higher productivity, better economy and reduced environmental impact.

Stickerfix™ Easier than easy!



You can repair and protect your car using a unique easy to apply and remove vinyl technology. It's coated with professional car maker approved repair systems of **Sikkens, Lesonal** and **Dynacoat.**

Dulux® Ecosure™ Matt Light & Space™

Uses revolutionary LumiTec technology to reflect up to twice as much light around the room making even the smallest of rooms look and feel more spacious compared to our conventional emulsion paints.

Sustainability is integrated in everything we do

We have set ambitious sustainability targets:

- Remain in the top three in the Dow Jones Sustainability Indexes
- Reduce our total recordable injury rate* to 2
- Deliver a step change in people development

We focus on long-term performance. By 2015 our ambition is:

- That Eco-premium** products will make up 30 percent of sales
- To reduce our cradle-to-gate carbon footprint by 10 percent
- To achieve sustainable fresh water use on all our sites

We have linked remuneration to these targets and ambitions:

- Our executive bonuses are linked to performance in the leading sustainability index (DJSI)

Dow Jones Sustainability Indexes

** Total recordable injury rate refers to amount of incidents per million hours worked*
*** Higher eco-efficiency than main competitive product*

Strategic ambitions and action plans

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AkzoNobel strategic ambitions

Leading in value creation

- Outgrow our markets
- EBITDA margin > 14 percent by end 2011
- 0.5 percent improvement in operating working capital (OWC) as % of revenue, p.a.

Leading in sustainability

- Top 3 Dow Jones Sustainability indexes
- Reduction in total recordable injury rate* to 2
- Step change in people development

Tied to incentives, both for value creation and sustainability

Dow Jones Sustainability Indexes

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* Total recordable injury rate refers to amount of incidents per million hours worked

Key components of the strategic action plan

ICI synergies

- €340 million structural cost savings
- Being delivered more rapidly than originally planned

Organic growth

- Leveraging our strong emerging markets positions for growth
- Emphasis on focused, bigger, bolder innovation

Margin management

- Centralized procurement
- Systematic approach to managing the value chain

Operational effectiveness

- Additional restructuring beyond the ICI synergies
- Leaner, more efficient organisation at all levels

Q1 2010 highlights and operational review

Q1 2010 highlights

- Improved volumes in March in most businesses underpins revenue growth of 6 percent
- Stronger demand in high growth markets and some of our industrial markets; mature markets stable
- EBITDA* was €399 million (2009: €289 million), at 12.3 percent (2009: 9.4 percent)
- Margin management and cost reduction programs supported EBITDA* growth of 38 percent
- Net earnings improved to €81 million
- National Starch classified as discontinued operation
- Outlook – cautiously optimistic

** Before incidentals*

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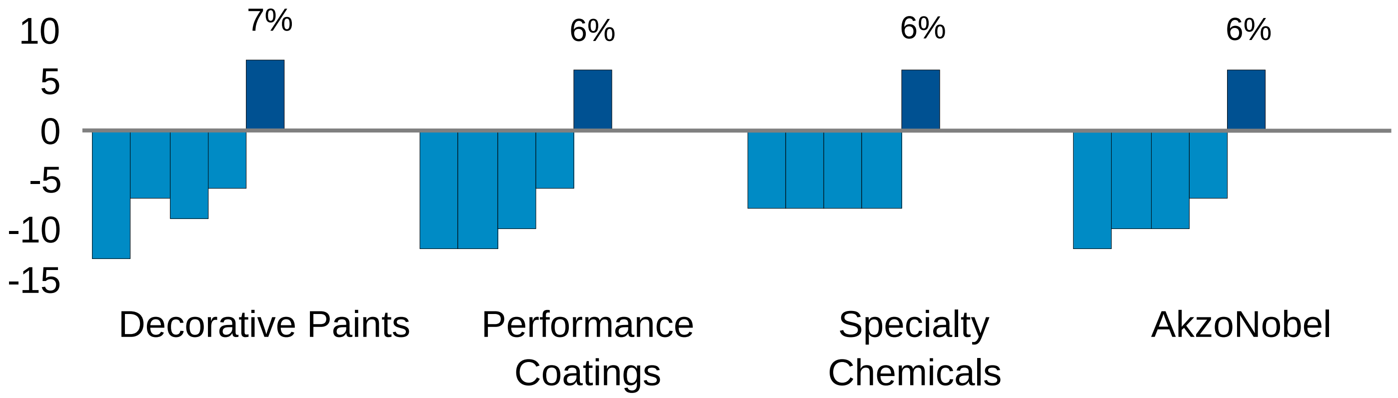
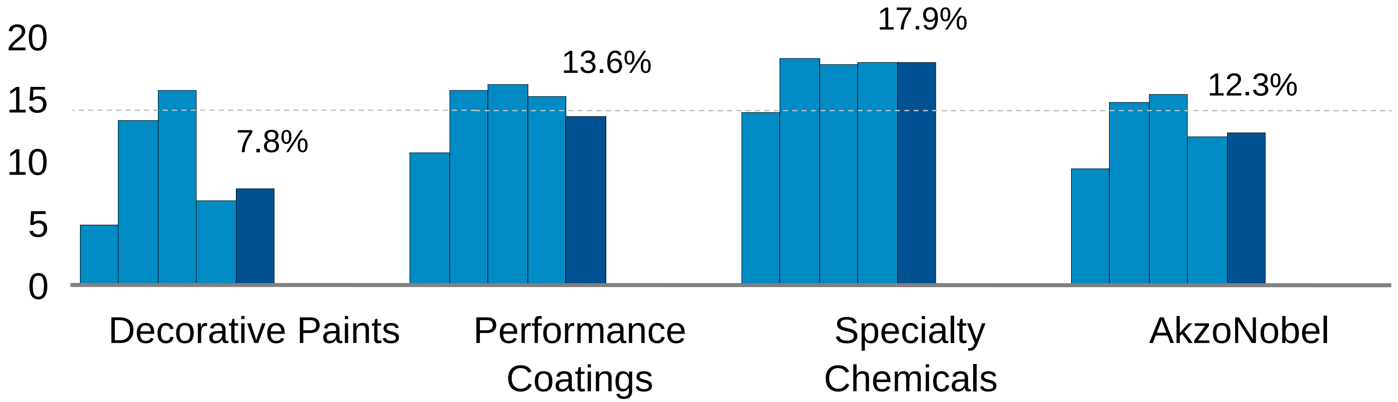
Revenue and margin development per quarter to Q1 2010

Revenue in % year-on-year



EBITDA* margin in % year-on-year



** Before incidentals. All data after reclassification of National Starch*

■ 2009 ■ 2010

Volume and price development per quarter to Q1 2010

Volume development	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10
Decorative Paints	(16)	(10)	(9)	-	5
Performance Coatings	(20)	(19)	(11)	(2)	8
Specialty Chemicals	(16)	(18)	(6)	4	15
AkzoNobel	**(17)**	**(16)**	**(8)**	**1**	**10**

Price development	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10
Decorative Paints	7	4	4	(1)	(1)
Performance Coatings	6	5	5	(3)	(3)
Specialty Chemicals	3	5	(5)	(9)	(6)
AkzoNobel	**5**	**5**	**(1)**	**(5)**	**(4)**

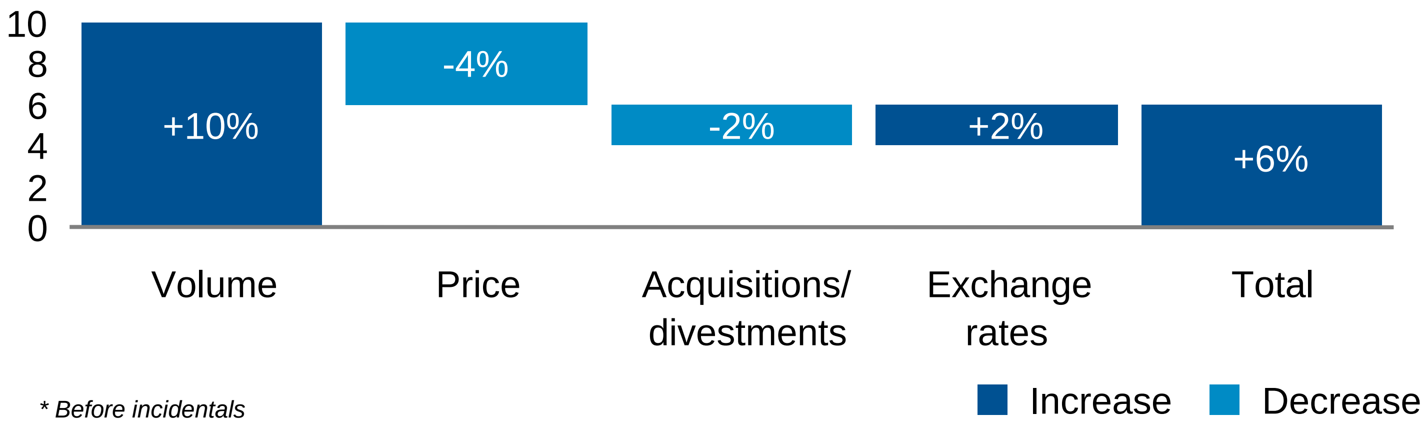
All data after reclassification of National Starch

Q1 2010 revenue and EBITDA

€ million	Q1 2010	Δ%
Revenue	3,246	6
EBITDA*	399	38

Ratio, %	Q1 2010	Q1 2009
EBITDA* margin	12.3	9.4

Revenue development Q1 2010 vs. Q1 2009



** Before incidentals*

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Summary – Q1 2010 results

€ million	Q1 2010	Q1 2009
EBITDA*	399	289
Amortization and depreciation	(141)	(139)
Incidentals	(34)	(40)
Financial income & expense	(88)	(105)
Minorities and associates	(13)	(14)
Income tax	(53)	(5)
Discontinued operations	11	7
Net income total operations	**81**	**(7)**
Net cash from operating activities	(525)	(317)

Ratio	Q1 2010	Q1 2009
EBITDA margin (%)	12.3	9.4
Earnings per share (in €)	0.35	(0.03)

* *Before incidentals*

Q1 2010 incidentals

€ million	Q1 2010	Q1 2009
Restructuring costs	(17)	(47)
Results related to major legal, antitrust & environmental cases	(9)	6
Results on acquisitions & divestments	1	9
Other incidental results	(9)	(8)
Total	**(34)**	**(40)**

- Restructuring activities are ongoing, mainly in Decorative Paints in Europe.
- Incidental charges included an addition of € 8 million to environmental provisions.

Decorative Paints

In China, where volumes were up 40 percent, we started a campaign for our Dulux product Safe & Beautiful Home Odorless through CCTV, a major national television channel. We rolled out a customized marketing program for individual cities to further develop our Dulux store network.

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Decorative Paints key facts

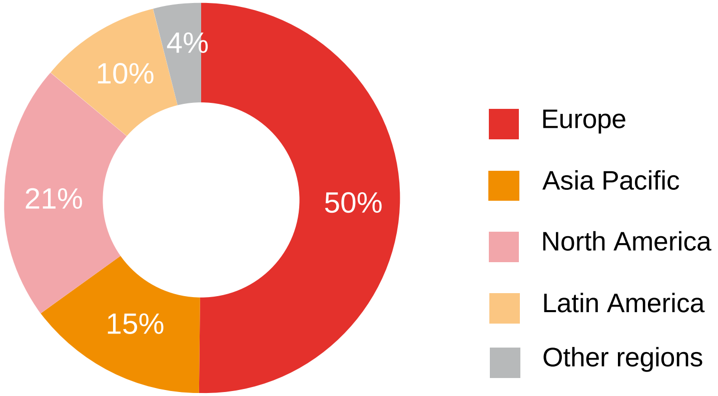
2009

- Revenue €4.6 billion
- 22,210 employees
- EBITDA: €487 million*
- 36 percent of revenue from high-growth markets
- Largest global supplier of decorative paints
- Many leading positions, strong brands

Some of our strong brands

Dulux
Sikkens
Glidden
levis
SICO
SCHÖNOX
Coral
FLEXA

Revenue by geography



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* Before incidentals

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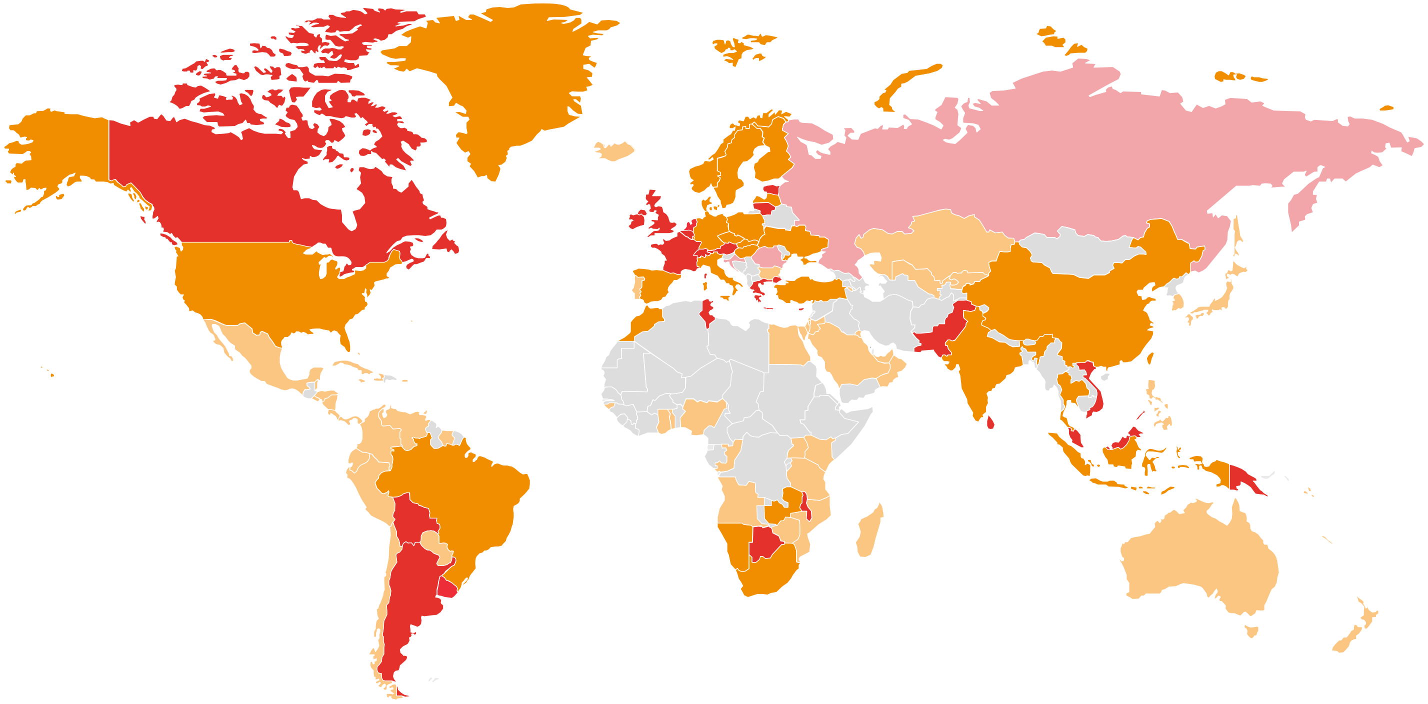
Leading Deco positions in all regions with strong brands

AkzoNobel market positions by value



🟥 1 🟧 2/3 🟥 >3 🟧 Export countries

Source: Euromonitor basis; AkzoNobel analysis 2009

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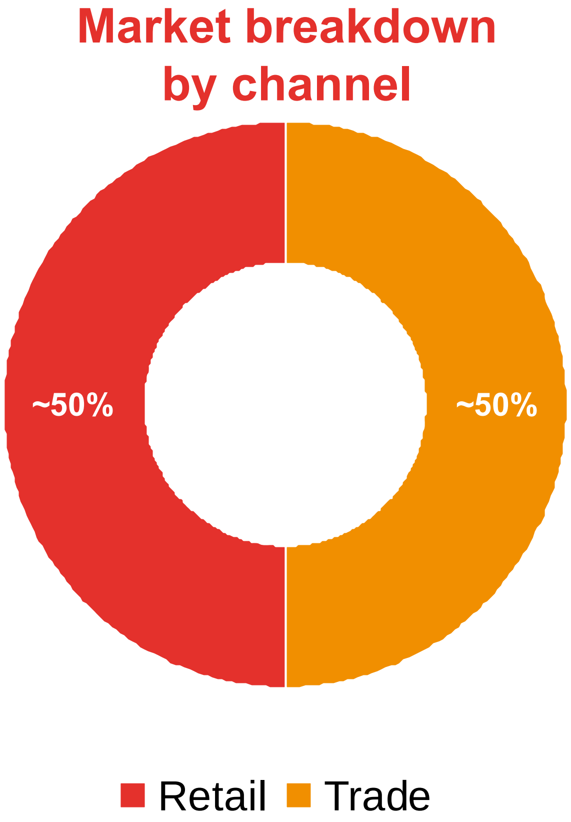
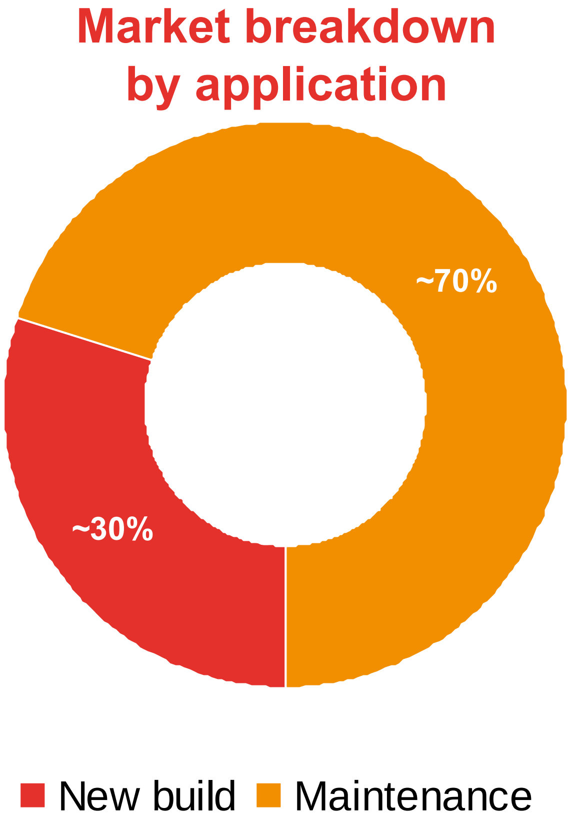
Combination of channel and application mix creates a relatively stable market

% of total Decorative market 2009





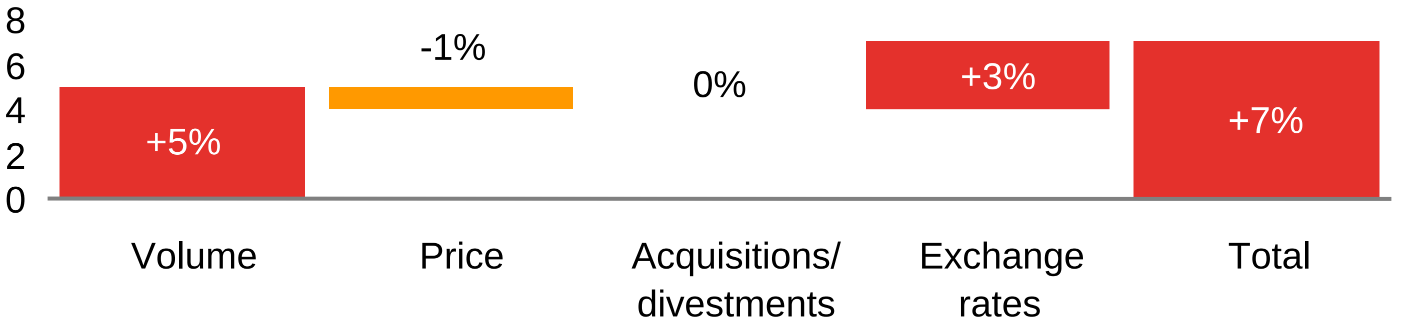
Source: Euromonitor basis; AkzoNobel analysis

Decorative Paints Q1 2010

€ million	Q1 2010	Δ%
Revenue	1,056	7
EBITDA*	82	71

Ratio, %	Q1 2010	Q1 2009
EBITDA* margin	7.8	4.9

Revenue development Q1 2010 vs. Q1 2009



** Before incidentals*

Decorative Paints Q1 2010 highlights

- Revenue up 7 percent, volumes up 5 percent
- EBITDA* at €82 million (2009: €48 million)
- EBITDA* margin 7.8 percent (2009: 4.9 percent)
- Ongoing restructuring contributed to better results in the mature economies
- Significant growth in higher growth markets; mature markets stable
- An increase of 0.5 percent of sales in advertising and promotion

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* *Before incidentals*

Performance Coatings

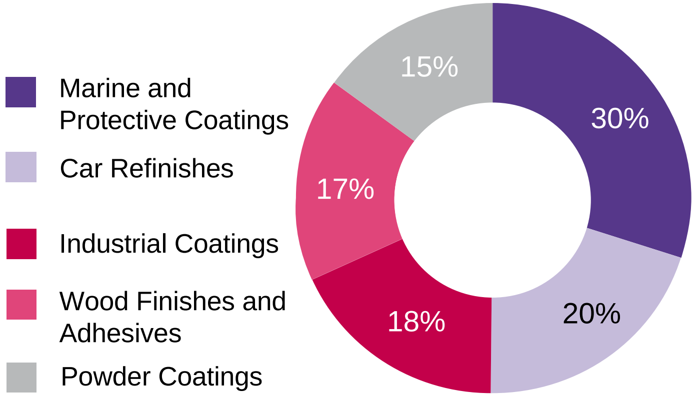
AkzoNobel Packaging Coatings Latin America has recently launched Vitalure™ 740, a product line consisting of an interior coating and side seam stripe for paint cans. The can liner protects the steel can from corrosion by the paint and will extend the 'best by' time limit for the paint with 50 percent limit for the paint from two to three years.

Performance Coatings key facts

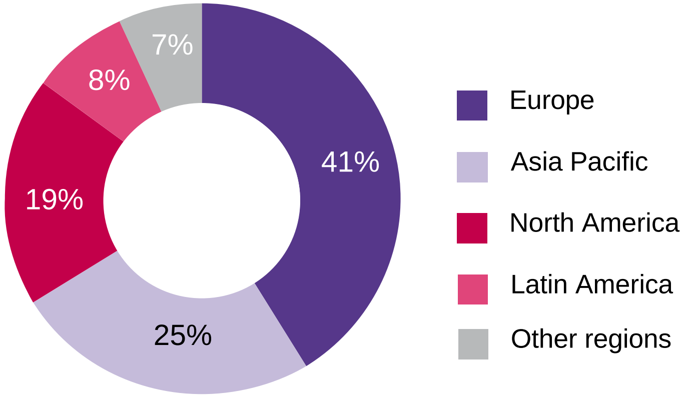
2009

- Revenue €4.1 billion
- 19,880 employees
- EBITDA: €594 million*
- 45 percent of revenue from high growth markets
- Leading positions in performance coatings
- Innovative technologies, strong brands

Revenue by business unit



Revenue by geography



** Before incidentals*

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Many market leadership positions

Marine and Protective	1	Marine, Protective, Yacht
Car Refinishes	2	Aerospace
	3	Refinish, OEM commercial
	5	Automotive plastic coatings
Industrial Coatings	1	Coil, Specialty Plastics, Beer & beverage
	2	Food cans
Wood Finishes and Adhesives	1	Wood coatings, Wood adhesives
Powder Coatings	1	Powder

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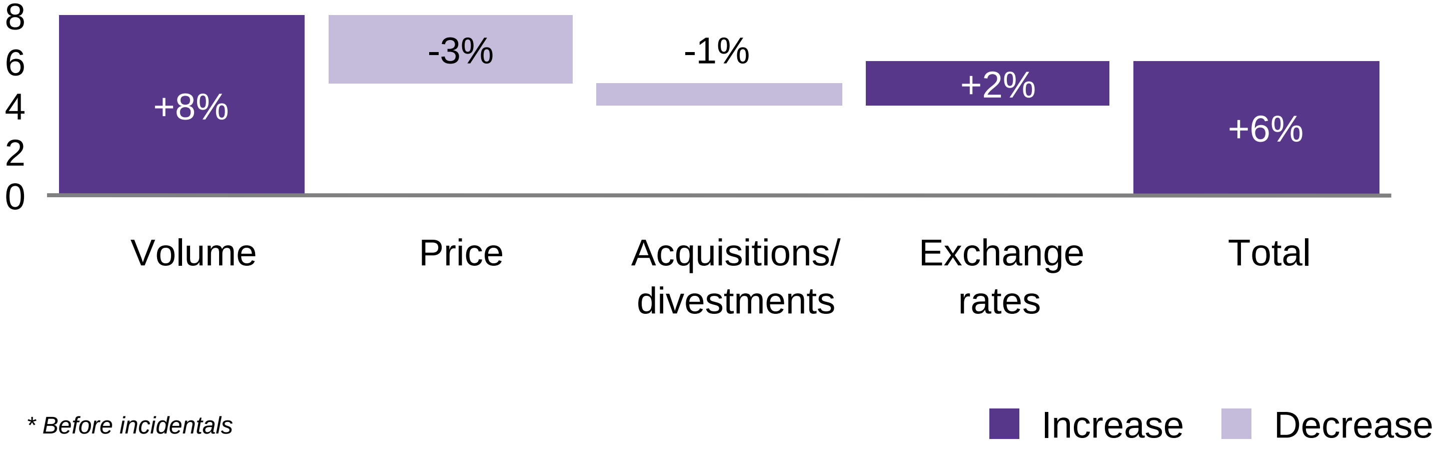
Performance Coatings Q1 2010

€ million	Q1 2010	Δ%
Revenue	1,048	6
EBITDA*	143	36

Ratio, %	Q1 2010	Q1 2009
EBITDA* margin	13.6	10.6

Revenue development Q1 2010 vs. Q1 2009



** Before incidentals*

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Performance Coatings Q1 2010 highlights

- Revenue increased by 6 percent, volumes up 8 percent
- EBITDA* up 36 percent at €143 million (2009: €105 million)
- EBITDA* margin at 13.6 percent (2009: 10.6 percent)
- Strong volume recovery continues
- Lower Marine maintenance activity
- Restructuring programs continued to deliver savings

** Before incidentals*

Specialty Chemicals

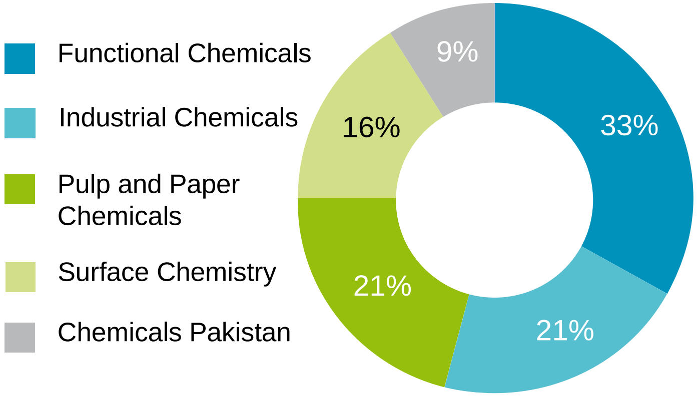
The formal inauguration of the Ningbo site – which occupies a 50-hectare plot, is the largest plant investment ever and offers ideal opportunities for any future investments – will take place in November this year. AkzoNobel has more than 6,000 employees and 25 locations in China, with annual revenue of around €1 billion.

Specialty Chemicals key facts

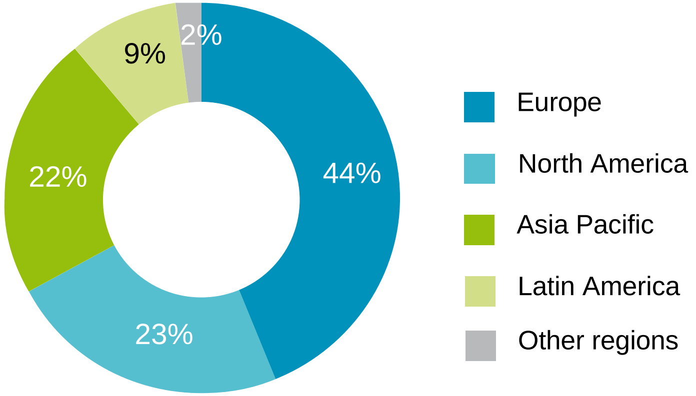
2009

- Revenue €4.4 billion
- 10,928 employees
- EBITDA: €738 million*
- 32 percent of revenue from high-growth markets
- Major producer of specialty chemicals
- Leadership positions in many markets

Revenue by business unit



Revenue by geography



** Before incidentals. All data except revenue by geography after reclassification of National Starch*

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Many market leadership positions

Functional Chemicals	1 Chelates, sulfur products, polysulfides, organic peroxides,	1 Salt Specialties (N. Europe)	2 Ethylene amines, metal alkyls, Elotex, Bermocoll	5 CMC
Industrial Chemicals	1 Monochloro-acetic acid (MCA)	1 Chlorine merchant, Caustic merchant, Salt (all Europe)		
Pulp and Paper	1 Bleaching chemicals		3 Retention and sizing chemicals	
Surface Chemistry	1 Industrial Agricultural		3 Home & Personal care	

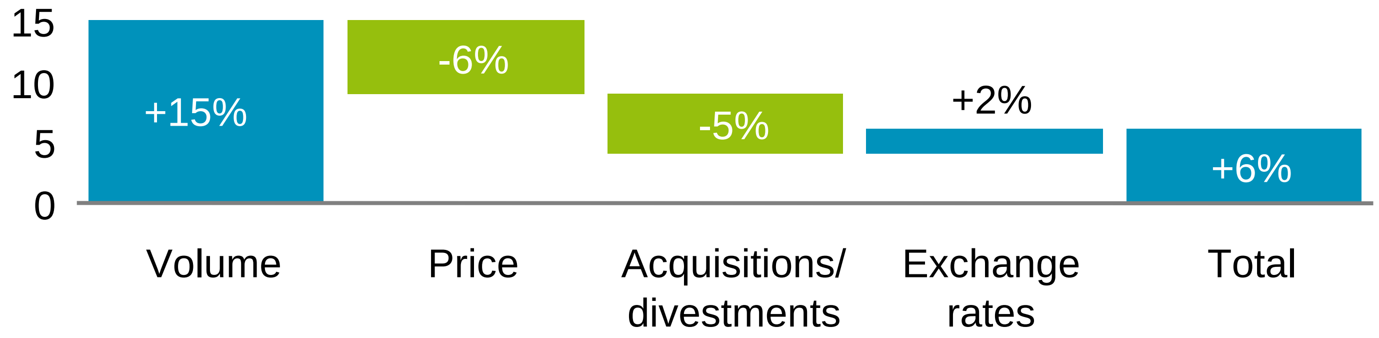
Chemicals Pakistan holds strong positions in various markets in Pakistan

Specialty Chemicals Q1 2010

€ million	Q1 2010	Δ%
Revenue	1,154	6
EBITDA*	207	37

Ratio, %	Q1 2010	Q1 2009
EBITDA* margin	17.9	13.8

Revenue development Q1 2010 vs. Q1 2009



** Before incidentals*

🟦 Increase 🟩 Decrease

Specialty Chemicals Q1 2010 highlights

- Revenue increase of 6 percent, volumes up 15 percent
- Broad demand improvement in both mature and high growth markets
- EBITDA* increased 37 percent to €207 million (2009: €151 million)
- EBITDA* margin 17.9 percent (2009: 13.8 percent)
- Strong results in all units, most notably Functional Chemicals and Surface Chemistry
- Divestment of PTA Pakistan had a decreasing effect on revenue of 5 percent
- National Starch activities reclassified into discontinued operations

** Before incidentals*

Financial review

Cash management discipline

Focus on cash

- OWC reduction
- Capex prioritization
- Bolt-on acquisitions
- Dividend policy unchanged

- OWC reduced to 15.6% of revenue (Q1 2009: 19.1%)
- Careful prioritization of Capex
- We continue to look for attractive bolt-on acquisitions
- Dividend policy remains at least 45 percent of net income before incidentals and fair value adjustments related to the ICI acquisition

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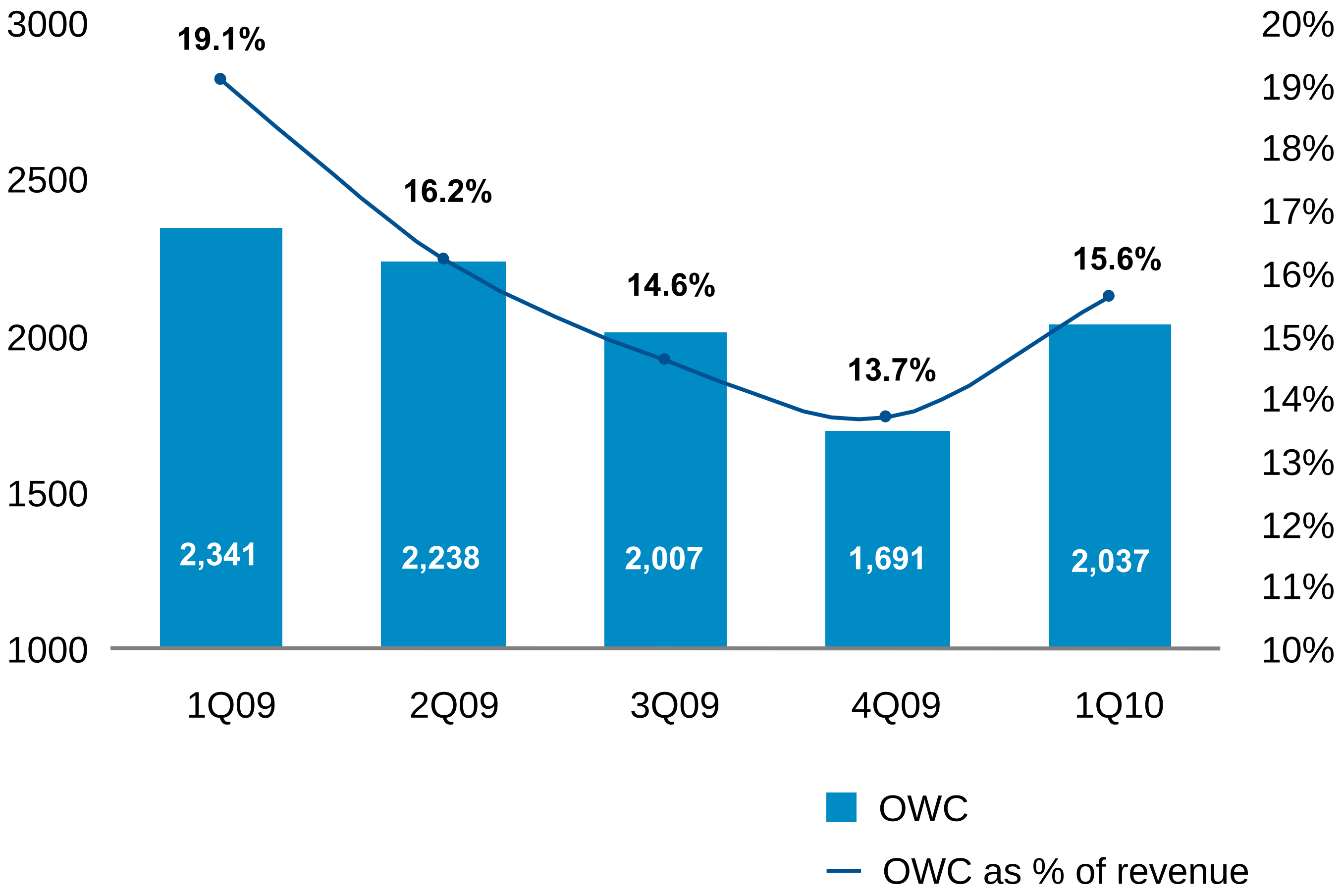
Continued focus on Operating Working Capital is delivering results

OWC
€ million



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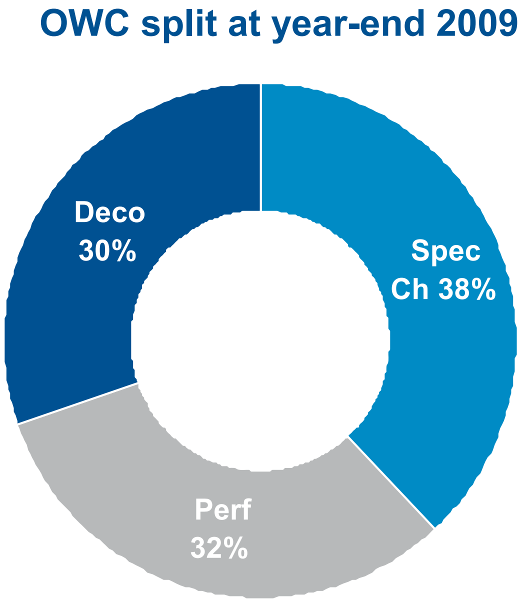
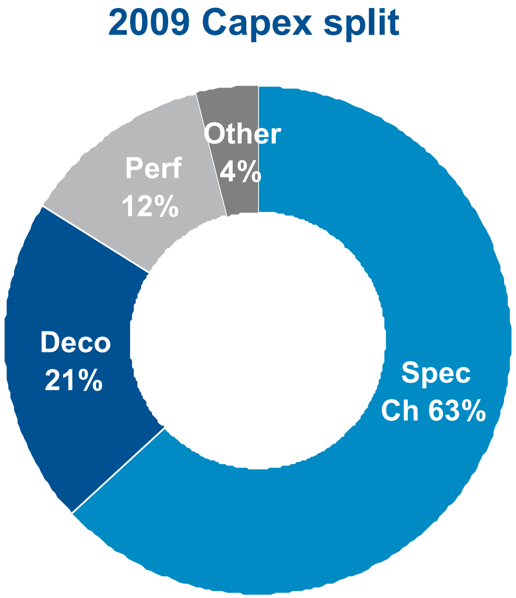
Capital expenditures remain disciplined

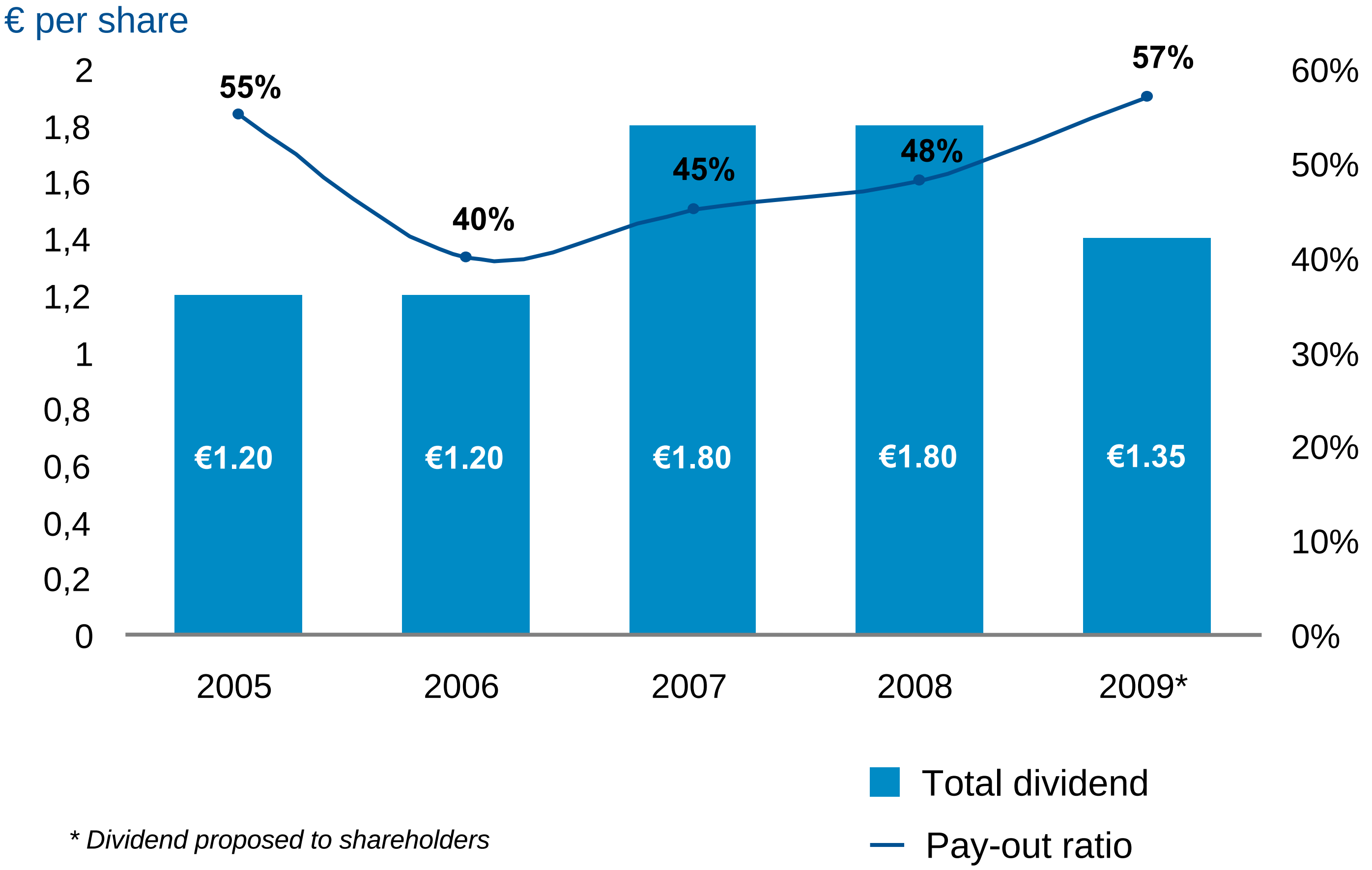
- Capex 2009 actual spend was €534 million, unchanged from 2008
- Capex 2010 expected to approach €600 million (incl. Ningbo €100 million)





Dividend policy unchanged – €1.05 final dividend proposed (2008: €1.40)

Dividend policy remains at least 45 percent of net income before incidentals and fair value adjustments related to the ICI acquisition



** Dividend proposed to shareholders*

EBITDA – Cash bridge

€ million	*Q1 2010*	*Q1 2009*
EBITDA before incidentals	**399**	**289**
Incidentals (cash)	(38)	(42)
Change working capital	(289)	(194)
Change provisions	(366)	(300)
Interest paid	(166)	(10)
Income tax paid	(65)	(60)
Net cash from operating activities	**(525)**	**(317)**

- Working capital change reflects seasonality and higher volumes
- Change in provisions impacted by higher pension top-ups
- Interest paid includes a €159 million accrued interest on refinanced bonds which had different interest payment terms during 2009

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Ambition to maintain strong balance sheet & credit rating unchanged

€ million	Mar 31, 2010	Dec 31, 2009
Total Equity	8,774	8,245
Net debt	2,312	1,744

€ million	Q1 2010	Q1 2009
Net cash from operating activities	(525)	(317)

- Equity positively impacted by currency translation (€436 million) and net profit (€99 million)
- Net debt increased mainly due to top-up payments (€307 million, 2009: €240 million) and increase working capital (€289 million)
- Pension deficit estimated at €1.8 billion (year-end 2009: €1.9 billion)

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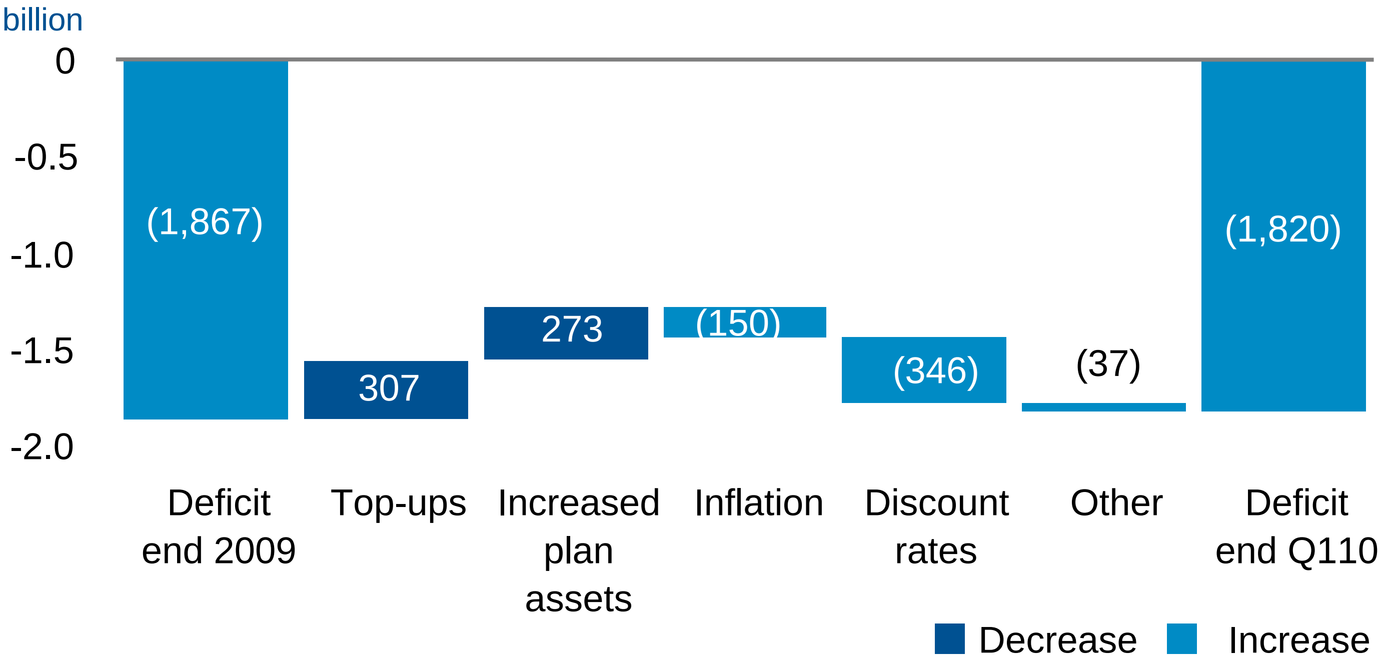
Pension deficit €1.8 billion in Q1 2010

Key pension metrics	**Q1 2010**	**Q4 2009**
Discount rate	5.4%	5.6%
Inflation assumptions	3.3%	3.2%

Pension deficit development during Q1 2010



Pro-active pension risk management

- 2004 pro forma (including ICI) pension under funding was around €4 billion
- Defined Benefits closed to new entrants, major plans closed in 2001 (ICI) and 2004 (Akzo Nobel)
- Committed to further de-risk over time
- Total defined benefit pension plans cash contribution expected to reach €490 million in 2010 (2009: €414 million), which includes an increase of €115 million in additional “top-up” payments (2010 €355 million; 2009 €240 million)
- Non-cash IAS19 financing expenses related to pensions expected to be €105 million in 2010 (2009: €174 million)

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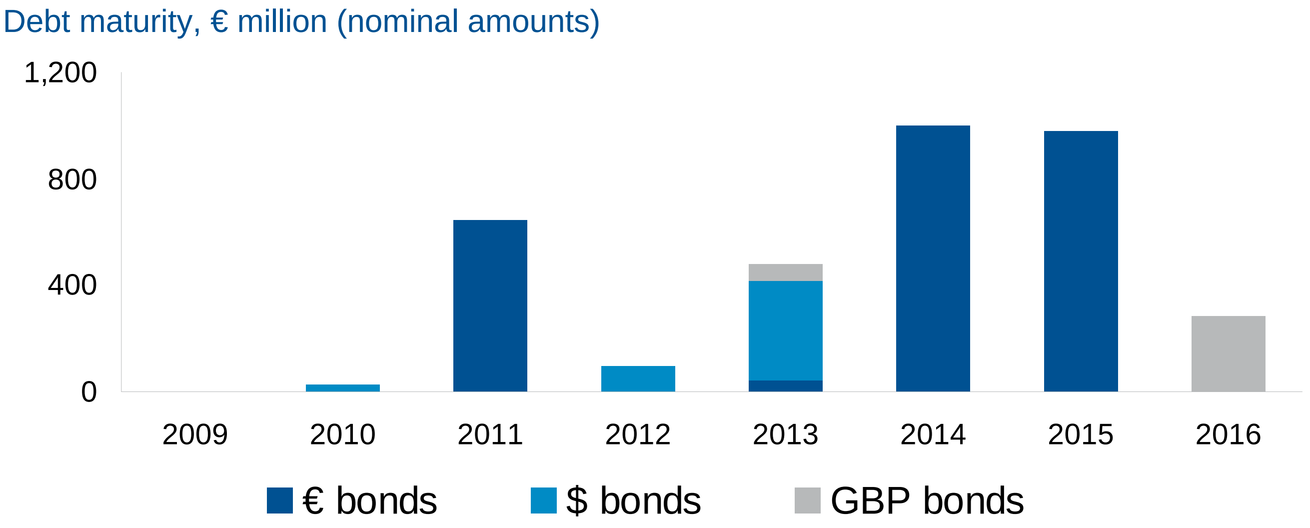
No 2010 refinancing needs



Significant liquidity headroom

- Undrawn revolving credit facility of €1.5 billion available (2013)*
- €1.5 & $1 billion commercial paper programs undrawn*
- Cash and cash equivalents €1.6 billion*

** At the end of Q1 2010*

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Credit ratings

AkzoNobel is committed to maintaining a strong investment grade rating

Standard & Poor's: BBB+ (negative outlook)

- Rating affirmed on August 25, 2009, unchanged since February 25, 2009
- AkzoNobel continues to benefit from its business position

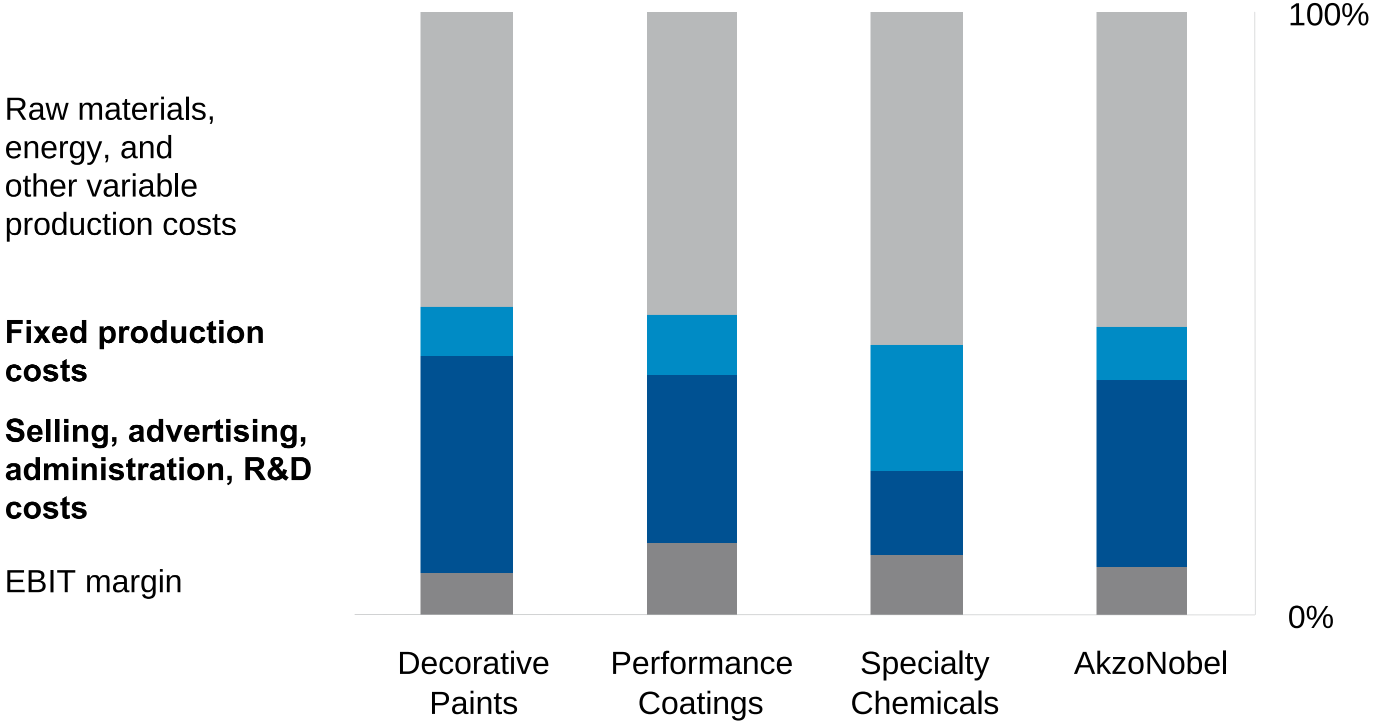
Moody's: Baa1 (negative outlook)

- Rating affirmed on March 16, 2009
- Downgrade reflects changed growth assumptions
- The rating continues to reflect the company's global reach and leadership positions

Please note that the Fitch rating is unsolicited

Low fixed costs as a percentage of revenue

% of 2009 annual revenue*



** Rounded percentages, all data excluding incidentals*

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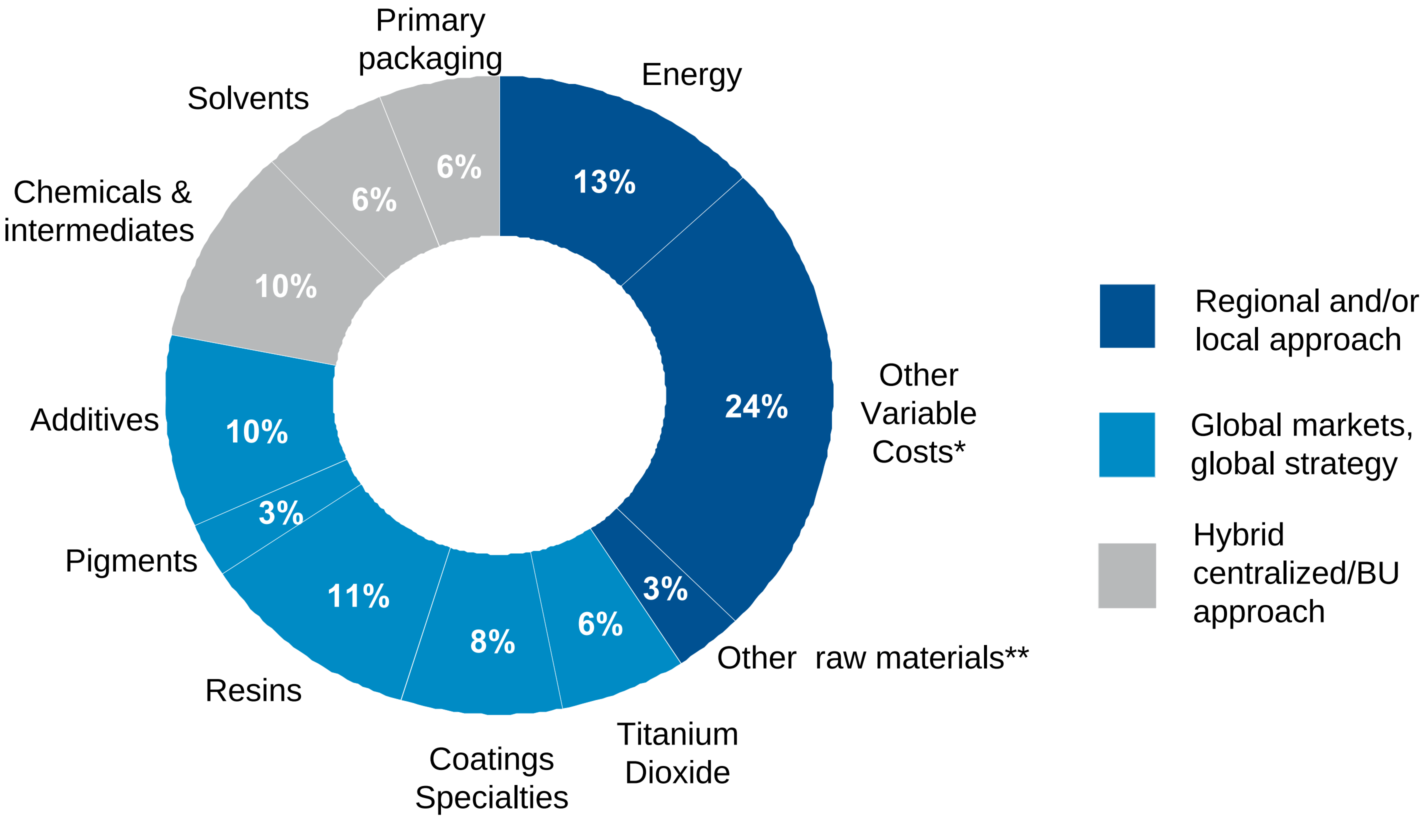
Raw materials, energy and other variable costs represent around half of revenue



Around 2/3 of total spend is managed centrally to maximize scale advantages

* Other variable costs include a/o variable selling costs costs (e.g. freight) and products for resale
** Other raw materials include cardolite, hylar etc.

Sustainability review

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Sustainability is the essential element in the period of new growth

Population growth is a strong driver for demand in high-growth markets

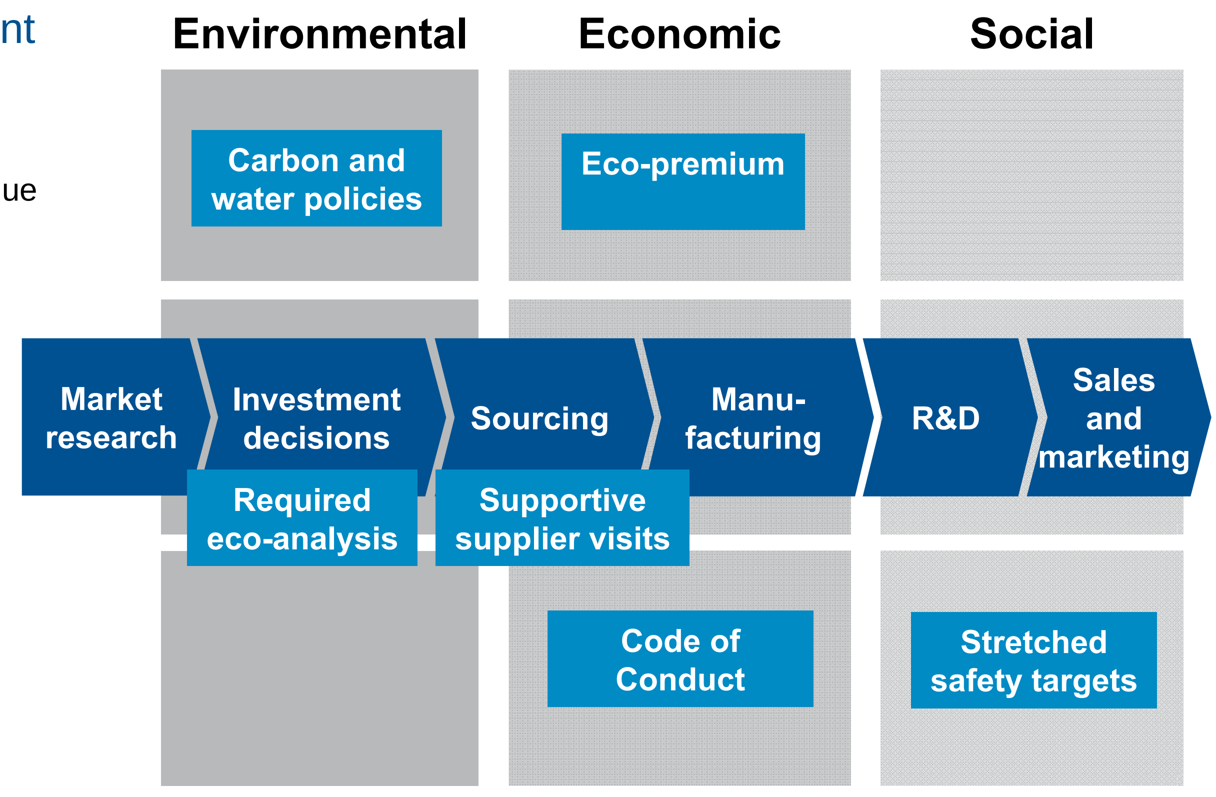
Quality of life will improve for a growing number of people

Climate change will force a price on green house gas emissions and will increase the need for renewable energy

Scarcity of natural resources will increase the need of sustainable freshwater use and new raw materials

We see sustainability as a business opportunity

Examples



Level of development	Environmental	Economic	Social
Invent Integrate sustainable value propositions	Carbon and water policies	Eco-premium	
Manage Include sustainability in all aspects of the value chain	Required eco-analysis	Supportive supplier visits	
Improve Continue to comply and ensure a license to operate		Code of Conduct	Stretched safety targets

Aspect of sustainability (linked to DJSI)

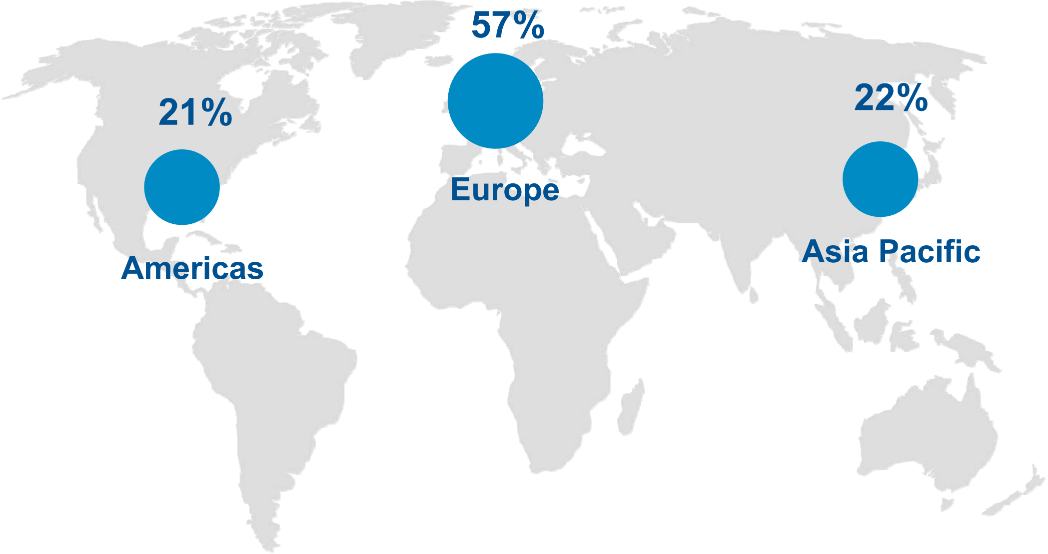
Our Research Development & Innovation has a significant sustainability focus

4,000 people employed globally

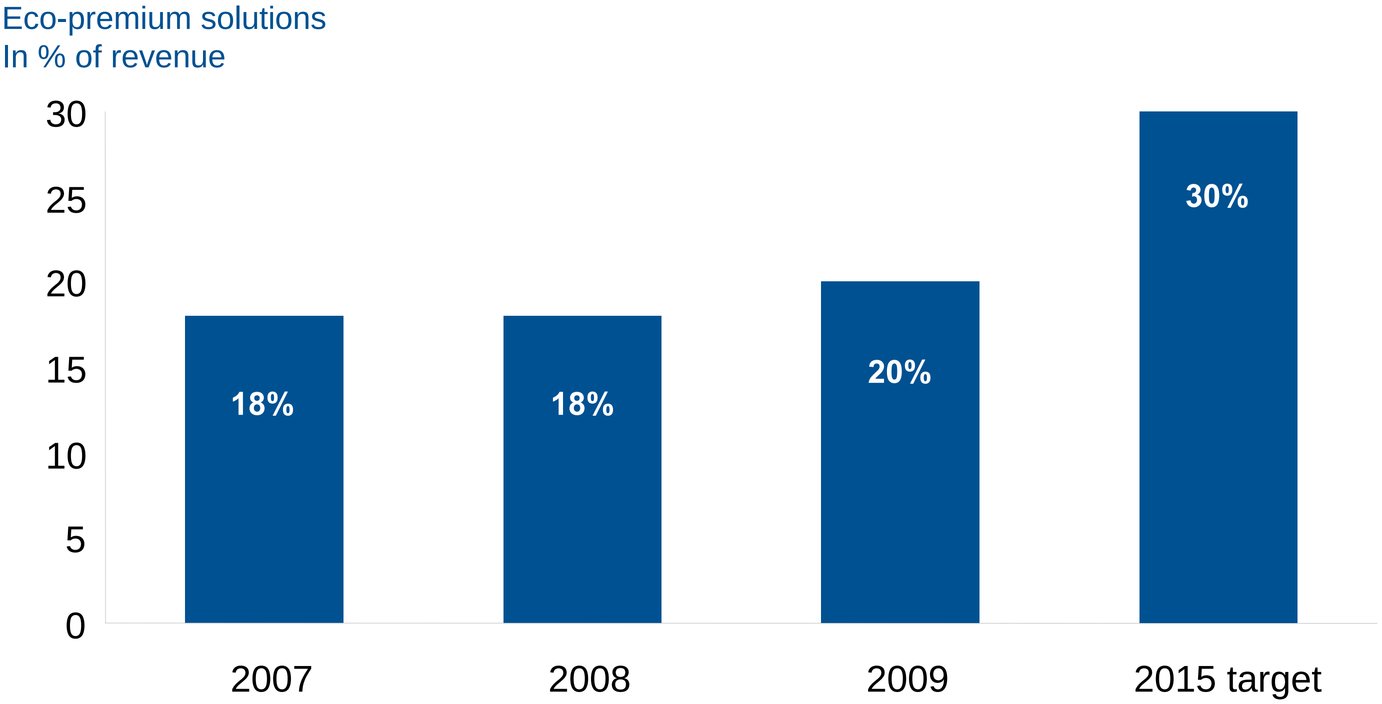
Over 60 percent of projects sustainability driven

2009: 2.4 percent of revenue spent (> €300 million) on RD&I

Geographic spread of RD&I



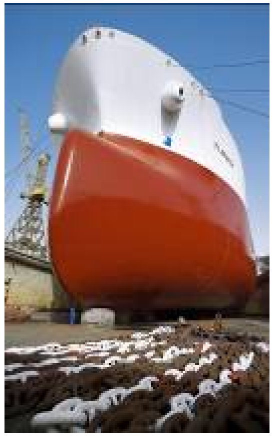
Eco-premium solutions are gaining momentum



Eco-premium products have a significantly higher eco-efficiency than the mainstream product available

Our products make a positive contribution

The chemical industry saves 2.7 tons carbon for each ton emitted*



Source: McKinsey

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Our sustainability commitment has been recognized externally

Dow Jones
Sustainability Indexes

2004	No ranking
2005	Top 10%
2006	2nd Place
2007	Super sector leader
2008	Joint 2nd place
2009	2nd place

Outlook and medium-term targets

Well positioned to meet current challenges

Sound fundamentals

- Strong market positions and brands
- Diverse geographic spread in highly attractive sectors
- Low cyclicality due to resilient portfolio
- Sustainability is integrated in everything we do

Strong track record

- Operational excellence
- Strong operating cash flow
- Strong balance sheet
- Ability to adapt quickly to changing markets

Outlook and medium-term targets

- On-track to achieving our strategic ambitions, including an EBITDA margin of 14 percent by the end of 2011
- Focus on customers, cost reduction and cash generation continues
- Investments to capture growth will remain a priority, particularly in high-growth markets
- Although volumes remain below pre-recessionary levels in most businesses, increases in volume, first evident in Q2 2009, have continued more broadly and are a reason for cautious optimism

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Safe Harbor Statement

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