
Amsterdam, April 27, 2011
Annual General Meeting of Shareholders

**2010: A year of delivering Tomorrow's
Answers Today**

Hans Wijers, CEO



Agenda

- **Introduction and strategic ambitions**
- **2010 value highlights**
- **2010 values highlights**
- **Financial review**
- **Outlook 2011**

AkzoNobel key facts

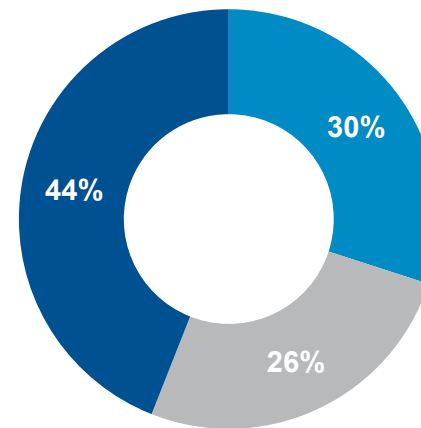
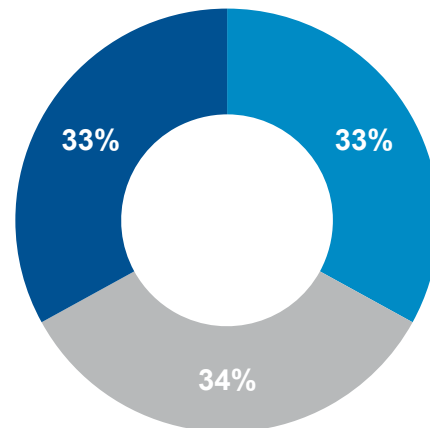
2010

- Revenue €14.6 billion
- 55,590 employees
- EBITDA: €2.0 billion*
- Net income: €0.8 billion
- 39 percent of revenue from high-growth markets
- A leader in sustainability



Revenue by business area

EBITDA* by business area



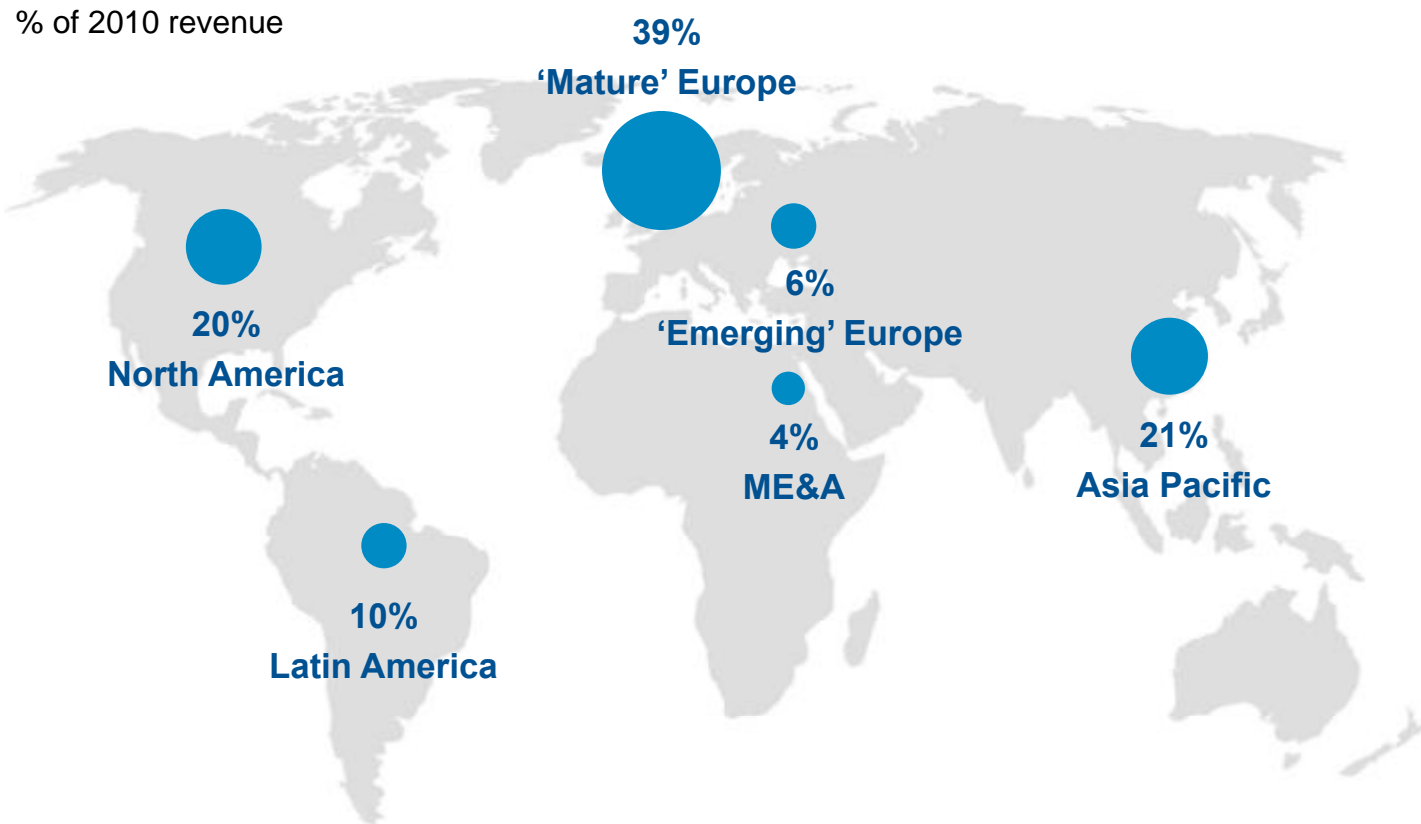
- Performance Coatings
- Decorative Paints
- Specialty Chemicals

* Before incidentals



Excellent geographic spread of both revenue and profits

High-growth markets are important (39% of revenue)

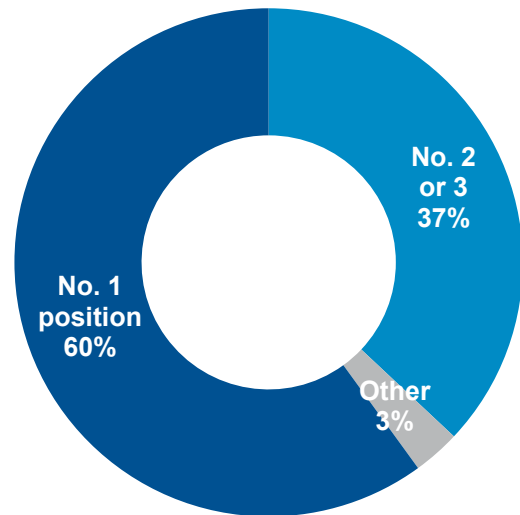


High-growth markets profitability is above average



Leading positions and strong brands

2010 Revenue by market position



Some of our strong brands

Dulux

27% of Decorative Paints

International

23% of Performance Coatings

eka

18% of Specialty Chemicals



Successful customer focused innovations

Dulux® Weathershield SunReflect™

Lowers the temperature of external walls by up to 5° C and reduces the need for air conditioning by reflecting up to 90 percent more infrared radiation than comparable exterior paints.



Compozil® Fx

A wet end management system for the largest and fastest paper machines. Top quality paper can be produced with higher productivity, better economy and reduced environmental impact.



Autoclear® LV Exclusive

A high-gloss clear-coat paint for car refinishing. Based on proprietary resin technology, it is not only highly resistant to scratches and easy to apply, it features remarkable self-healing properties when exposed to gentle heat.



Our strategic ambition is to be

The world's leading
coatings and specialty chemicals company



Our medium term strategic goals

Value Accelerated growth

- Grow to €20 billion revenues
- Increase EBITDA each year, maintaining 13-15% margin
- Reduce OWC/revenues by 0.5 p.a. towards a 12% level
- Pay a stable to rising dividend

- Top quartile safety performance
- Top 3 position in sustainability
- Top quartile performance in diversity, employee engagement, and talent development
- Top quartile eco-efficiency improvement rate

Values Sustainable growth



How we will grow in both mature and high-growth markets

Organic growth

- Expand focus from high to mid market segments
- Fuelling growth in high-growth markets

Innovation pipeline

- Spend of around 2.5% of revenue makes us the clear peer group leader in absolute spend
- Emphasis on focused, bolder, sustainable innovation

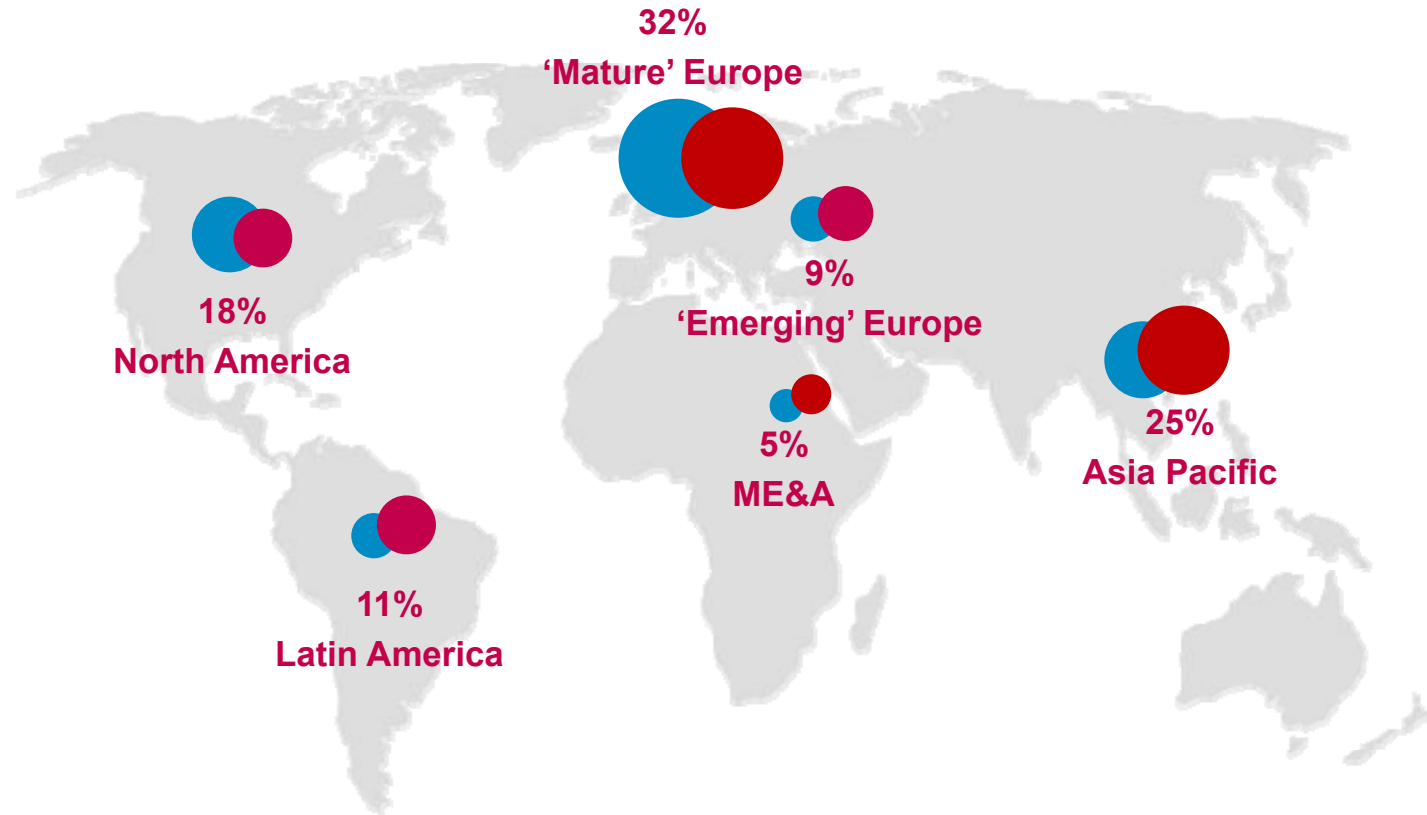
Acquisitions

- Wide range of opportunities
- All Business Areas qualify
- Value creating no later than in year 3



High-growth markets will become significantly more important

% of revenue, indicative



High-growth markets will be around 50% of revenue in this decade

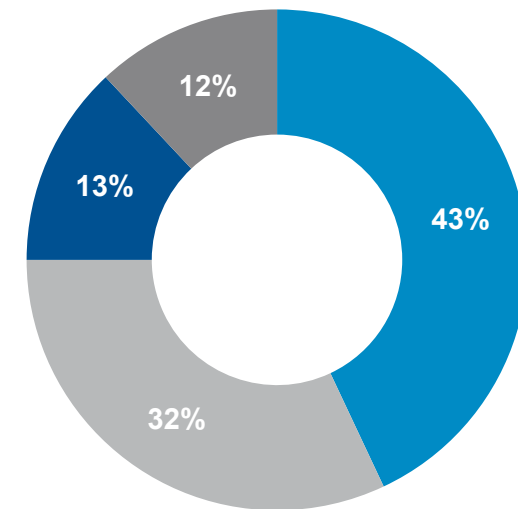


Exciting RD&I pipeline with innovative solutions for key market segments

How innovation will support our growth agenda:

- Functional solutions in key market segments
- Increase spend in Big R&D
- >15% of revenue from “breakthrough” innovations*
- >30% of revenue from Eco-premium solutions**

Revenue by key market segment



- Residential construction
- Consumer goods
- Non-residential construction
- Transport

• *Major innovations that result in a significant competitive advantage*

** *Higher eco-efficiency than main competitive product*



2010 value highlights

Full year 2010 highlights

- 2010 revenue growth at 12 percent in line with medium-term ambitions
- 2010 EBITDA* 16 percent higher
- Operating return on invested capital: 27.7 percent (2009: 23.2 percent)
- Net income: €754 million (2009: €285 million)
- 2010 adjusted earnings per share: €3.71 (2009: €2.06)
- Total dividend proposed for 2010: €1.40 (2009: €1.35)



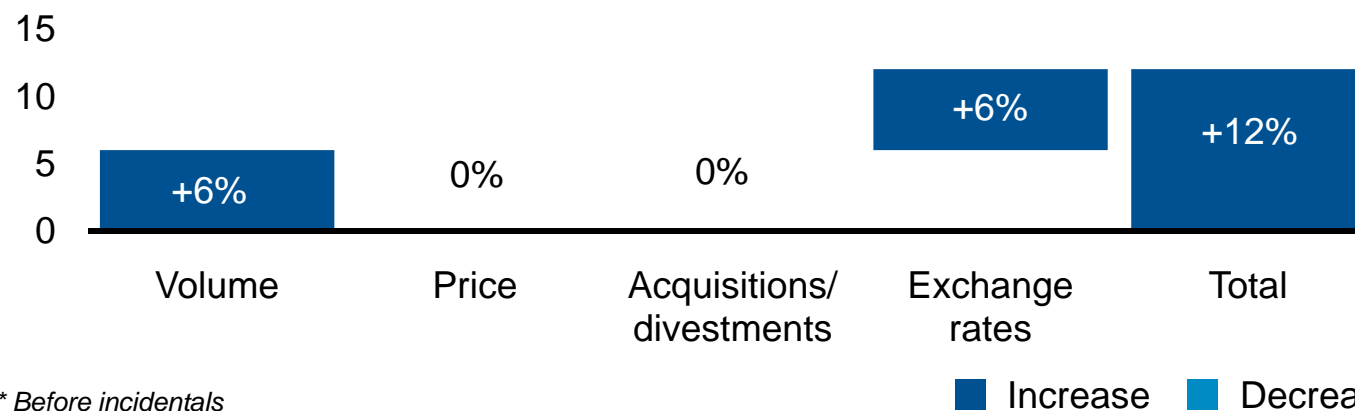
* Before incidentals

Full year 2010 revenue and EBITDA

€ million	2010	Δ%
Revenue	14,640	12
EBITDA*	1,964	16

Ratio, %	2010	2009
EBITDA* margin	13.4	13.0

Revenue development 2010 vs. 2009

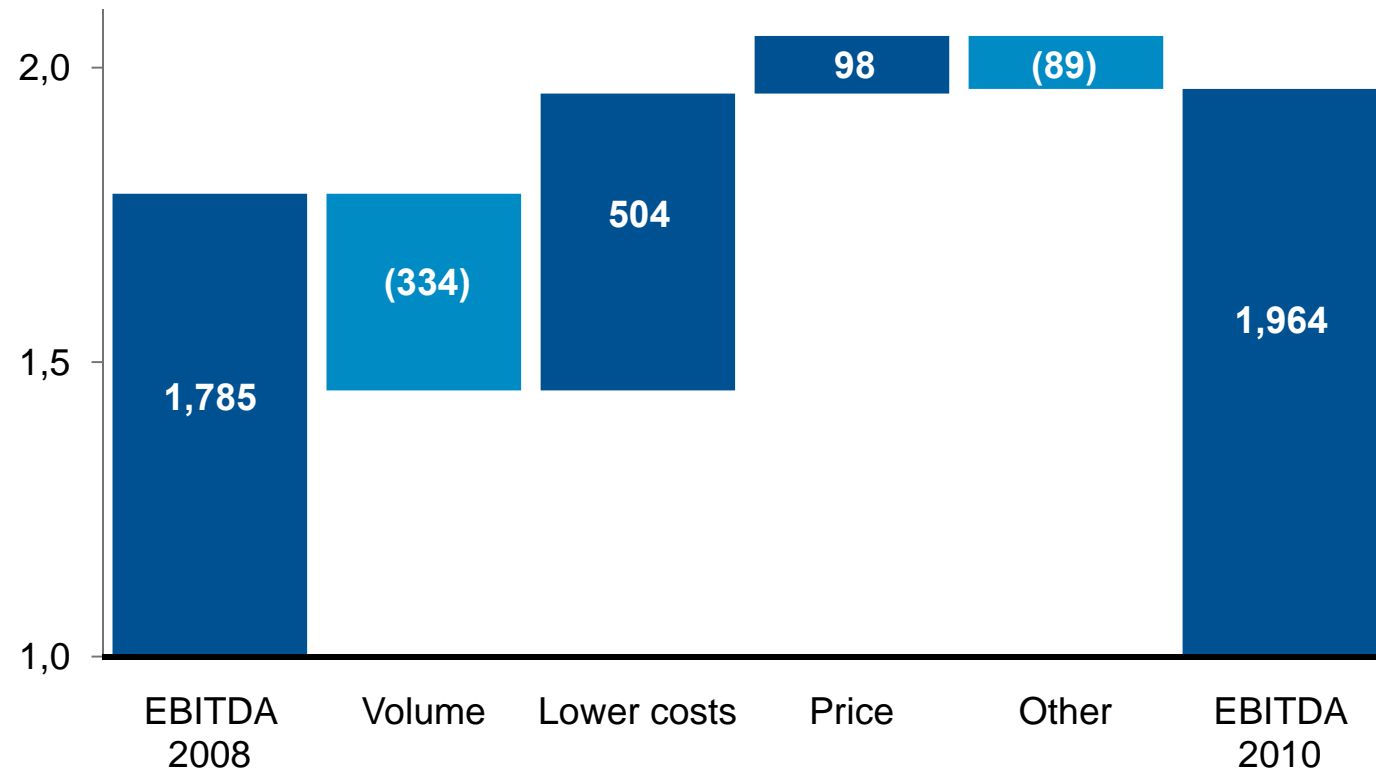


* Before incidentals



Further volume recovery underpins earnings potential

EBITDA* bridge 2008-2010
€ billion



* Before incidentals, restated for National Starch

■ Increase ■ Decrease



Decorative Paints: winning globally



Let's Color
project

The Let's Color campaign not only reinforces our role as the global color authority, but also encourages consumers to use our brands and make their world brighter and better. It's about engaging consumers in new and compelling ways and building awareness among professionals of the effects and benefits of using color.

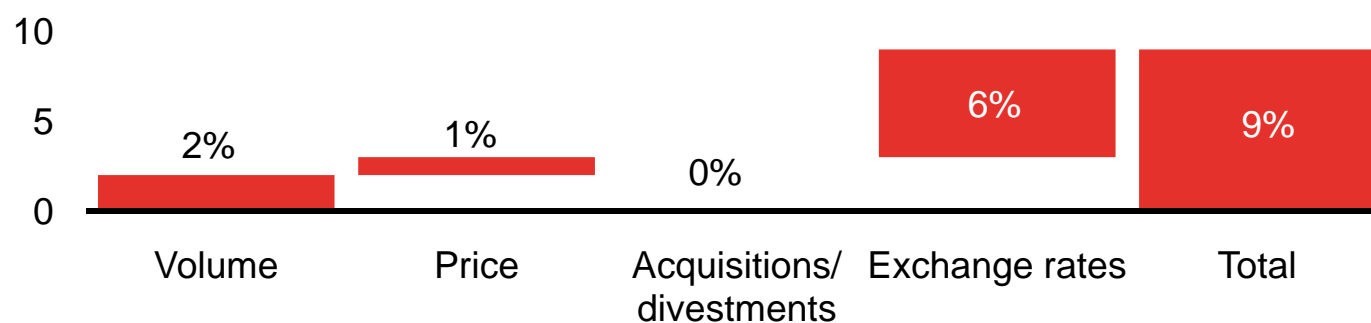


Decorative Paints full year 2010

€ million	2010	Δ%
Revenue	4,968	9
EBITDA*	548	13

Ratio, %	2010	2009
EBITDA* margin	11.0	10.6

Revenue development 2010 vs. 2009



* Before incidentals

■ Increase ■ Decrease



Performance Coatings



AkzoNobel has become a full technology partner to the McLaren Group after expanding and extending the current relationship with Vodafone McLaren Mercedes. We will work closely with McLaren Racing to further develop its extreme environment technology for use in Formula 1 and wider industrial applications.

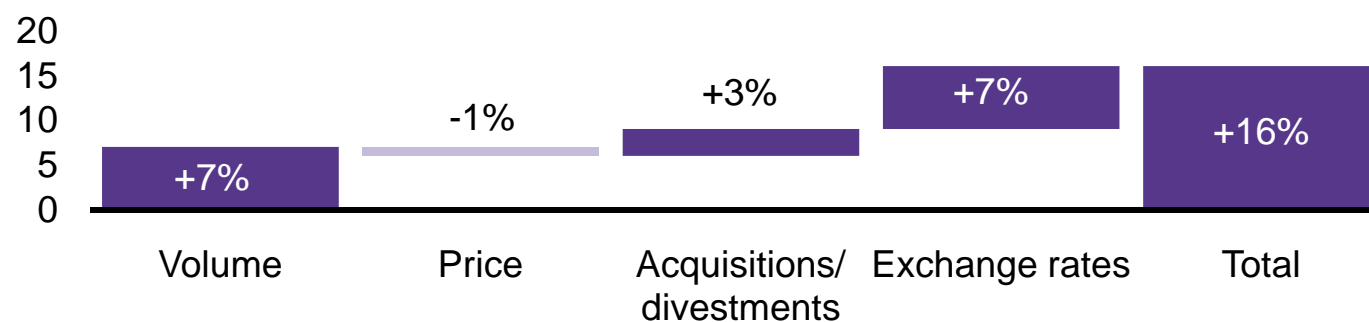


Performance Coatings full year 2010

€ million	2010	Δ%
Revenue	4,786	16
EBITDA*	647	9

Ratio, %	2010	2009
EBITDA* margin	13.5	14.4

Revenue development 2010 vs. 2009



* Before incidentals

■ Increase ■ Decrease



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 – took place in November 2010.

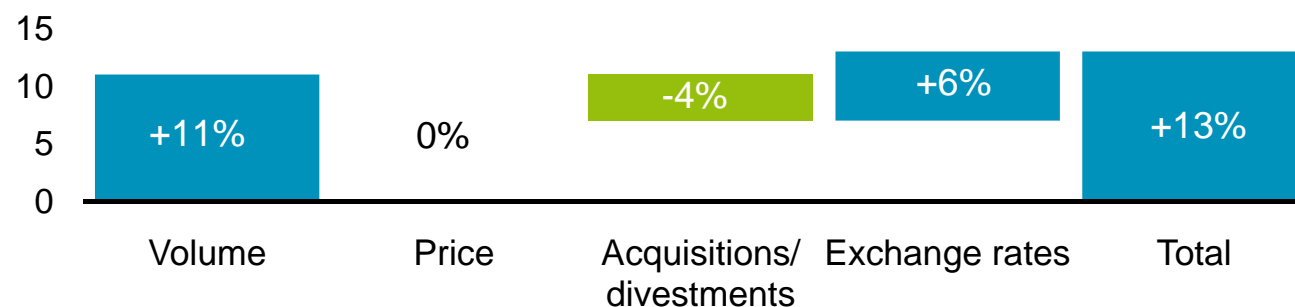


Specialty Chemicals full year 2010

€ million	2010	Δ%
Revenue	4,943	13
EBITDA*	939	27

Ratio, %	2010	2009
EBITDA* margin	19.0	16.9

Revenue development 2010 vs. 2009



* Before incidentals

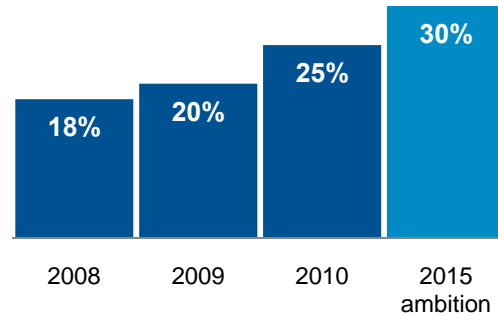
■ Increase ■ Decrease



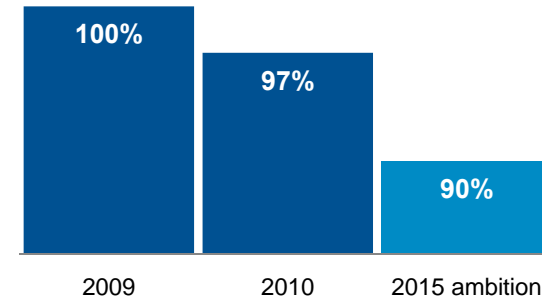
2010 values highlights

2010 values results – working towards our medium-term ambitions

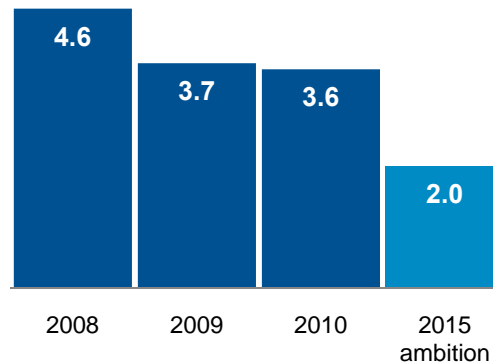
Eco-premium solutions
in % of revenue



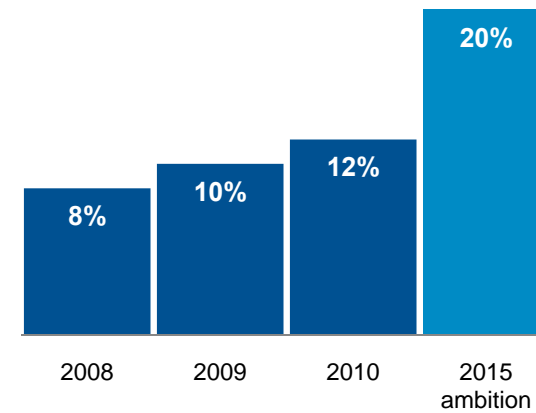
Carbon emission
equivalent per ton product



Total recordable injury rate
per mln hrs worked



Female executives



Pipeline 2011

Surface Chemistry – Hybrid polymers

Used in cleaning and personal care applications

Key features

- Advantages include: reliability of supply, sustainability and cost
- Biodegradable and environmentally friendly

Growth potential

- Major players in consumer cleaning markets showing interest
- Biggest opportunity is in laundry and the second in automatic dishwasher detergents

Customers benefits

- Cut back on CO₂ emissions
- Improving their green credential



Pipeline 2011

Protective Coatings – Interchar® 1120 Intumescent Coating

A water based Intumescent coating for onsite application

Key Features

- Reacts in the presence of intense heat to form an insulating layer
- Extend structural integrity for up to 4 hours
- Applied easily on-site during construction

Growth potential

- Sustainable, “green” building becoming increasingly important in high growth areas such as China and India
- Launched in the UK, Europe and China, soon in the United-States

Customer Benefits

- Ensures building is sustainable, during construction and occupation
- Compliant with VOC regulations



Pipeline 2011

Decorative Paints – Dulux Color Click™

Helping consumers choose designer color schemes online



Key Features

- When used with a digital camera the unique **Color Frame™** card ensures match with home furnishings, or any other objects you choose
- Easy access to a wide range of features on our websites to help with color choices

Customer benefits

- Expert advice on colors that go
- Accurate and consistent match to any target color you choose to capture with your digital camera

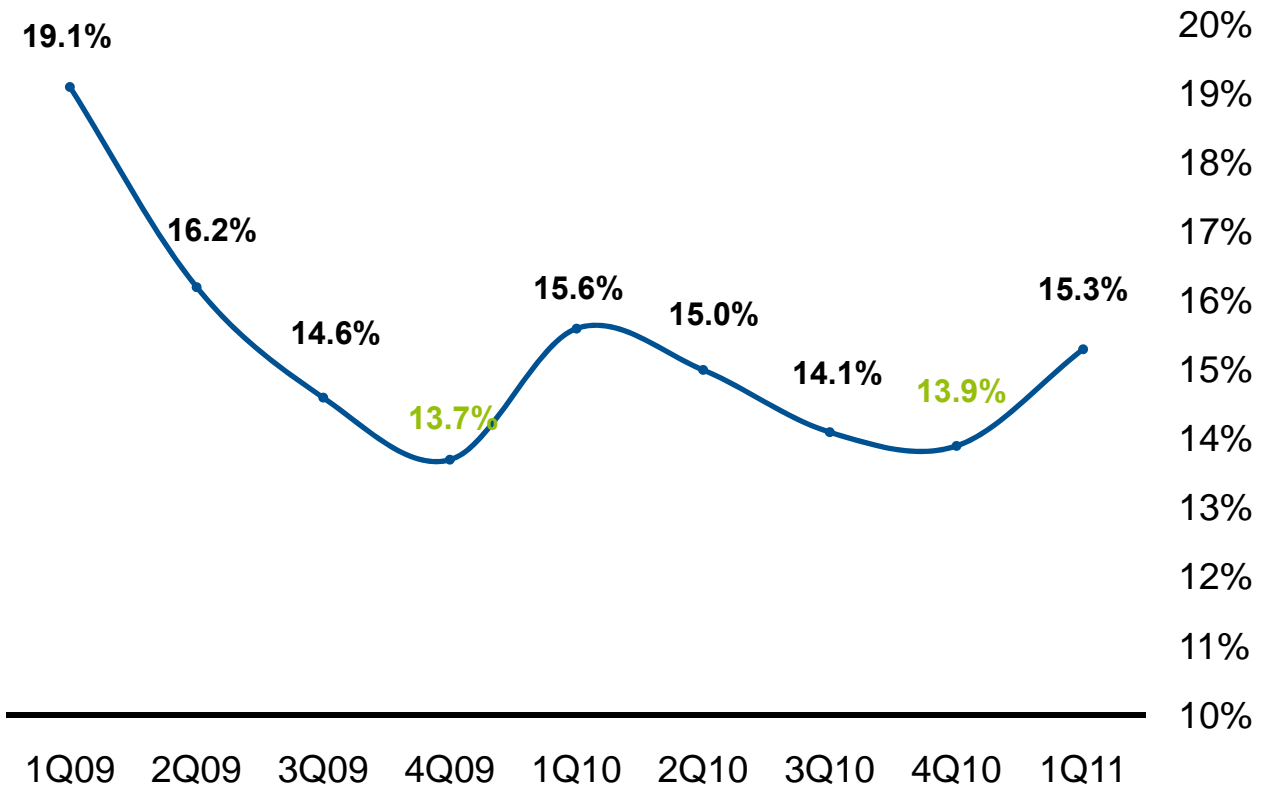
Growth potential

- Successfully launched with Dulux in the UK and Ireland
- Global roll-out planned for this year with our leading brands



Financial review

Year-on-year Operating Working Capital % of revenue reducing towards 12%



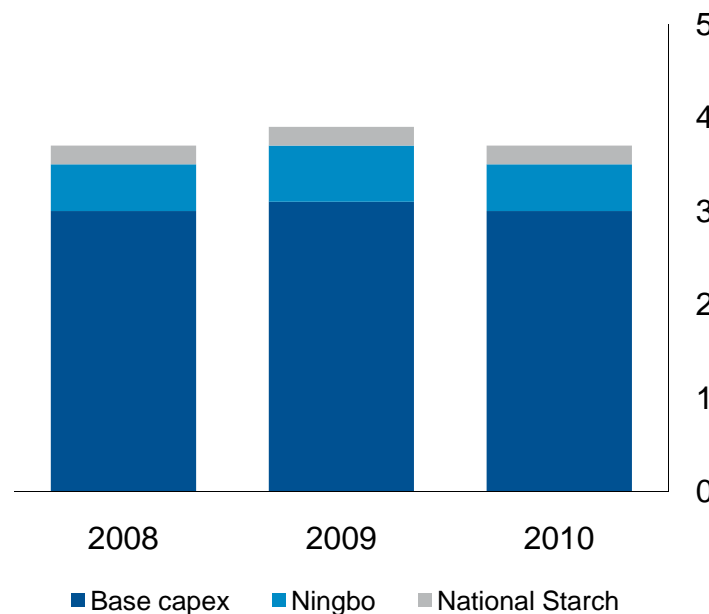
— OWC as % of LQ revenue*4



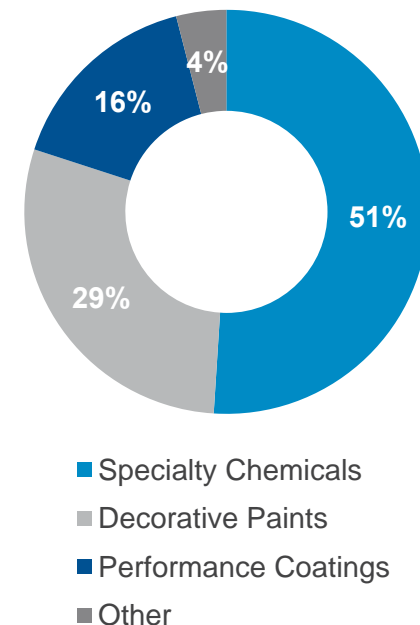
Capital expenditure prioritization for growth

- Capex 2010 was €534 million (including Ningbo €100 million and €40 million National Starch)
- Medium term: Capex level to be around 4% of revenues

Capex as a % of revenue



2010 Capex split



Proposal: a stable to rising dividend

Our proposed new dividend policy

We intend to pay a stable to rising dividend:

- A cash interim and a final dividend will be paid

2010 total dividend €1.40 per share proposed

- Total 2010 dividend of €1.40 per share equals a 4 percent increase versus 2009
- Interim dividend of €0.32 was an €0.02 increase per share compared to 2009
- The final 2010 dividend of €1.08 will be paid on May 10, 2011



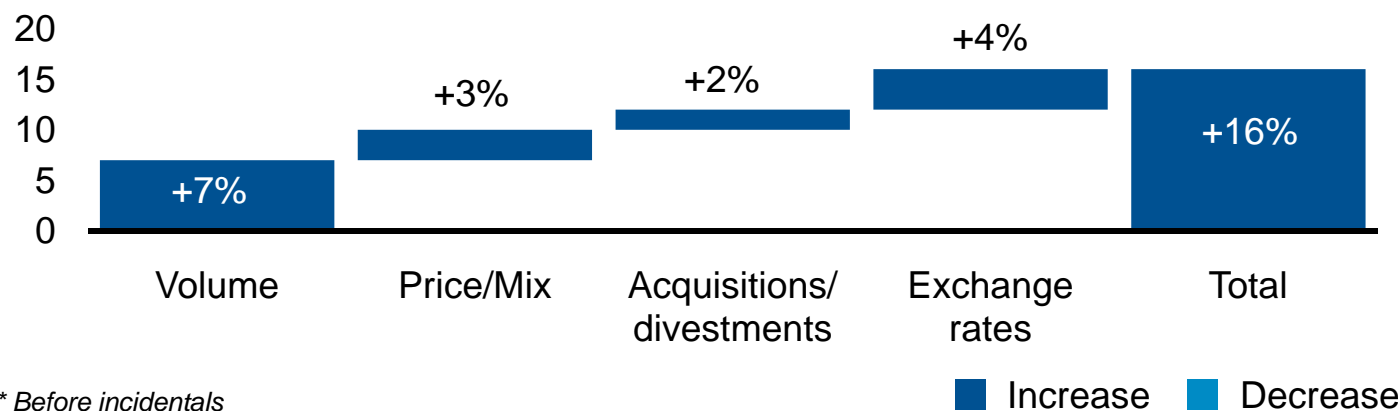
Outlook 2011

Q1 2011: a strong start to the year

€ million	Q1 2011	Δ%
Revenue	3,762	16
EBITDA*	437	10

Ratio, %	Q1 2011	Q1 2010
EBITDA* margin	11.6	12.3

Revenue development Q1 2011 vs. Q1 2010



* Before incidentals



Outlook: we expect to make progress on our medium-term strategic ambitions

Value Accelerated growth

- Grow to €20 billion revenues
- Increase EBITDA each year, maintaining 13-15% margin
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- Top quartile safety performance
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- Top quartile eco-efficiency improvement rate

Values Sustainable growth

And are aiming for more than 5 percent revenue and EBITDA growth in 2011



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.

