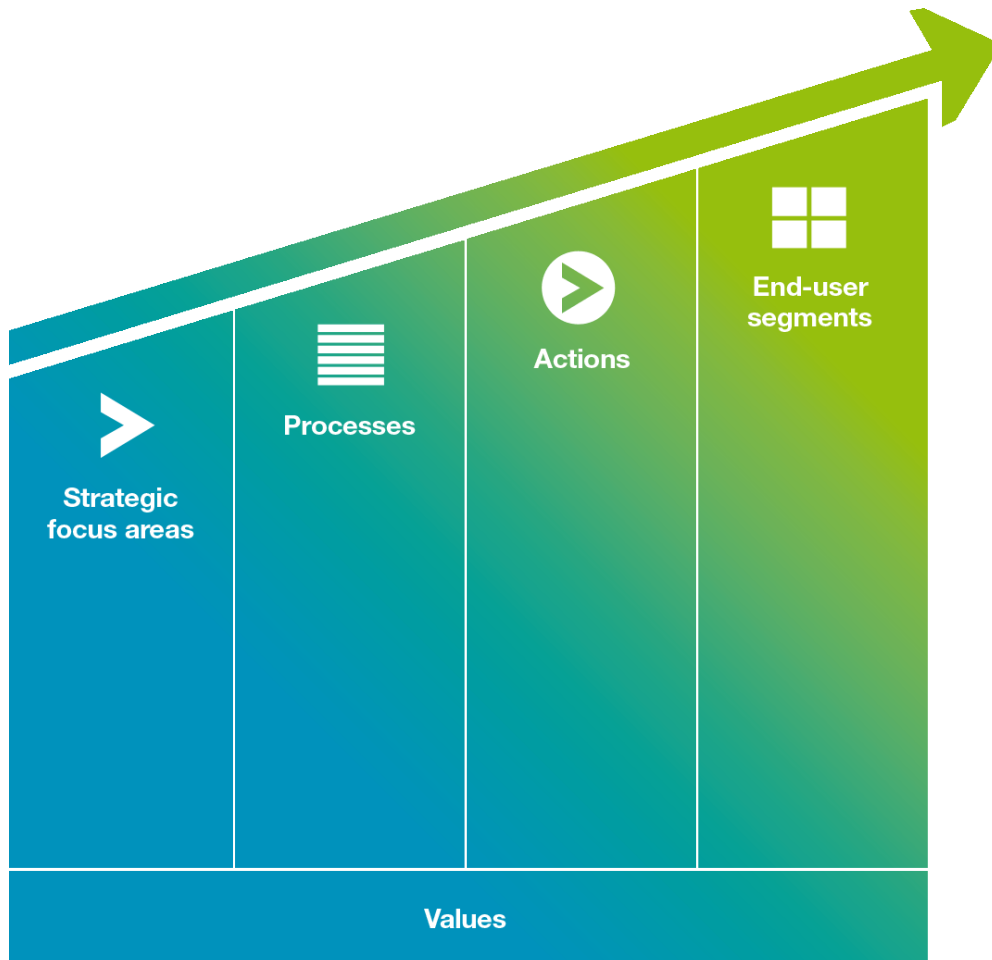


Strategy

- Business at a glance
- Specialty Chemicals market
- AkzoNobel in Specialty Chemicals
- **Strategy**
- Key actions and continuous improvement
- Financials
- Summary and conclusions

Specialty Chemicals vision and targets



Specialty Chemicals vision:

Delivering leading performance based on sustainable chemical platforms driving profitable growth in selected markets

Expected outcomes (2015):

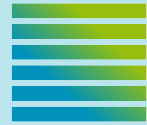
- Return on sales: 12%
- Return on investment: 15%

Specialty Chemicals strategy on a page



Strategic focus areas

Per the company agenda



Processes

Per the company agenda

Business area capabilities

- Understanding customer needs
- Management of integrated value chains
- Continuous technological advancement
- Engineering and project management



Actions

Per the company agenda

Business area actions

- Drive functional excellence
 - Supply chain and operations
 - Commercial excellence
 - Talent management
- Reduce organizational complexity
- Strengthen product & process innovation
- Capitalize on industry changes
- Build on our strong chemical platforms to deliver profitable growth in selected markets



End-user segments

- Buildings and Infrastructure
- Transportation
- Consumer Goods
- Industrial

Key actions and continuous improvement

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Four operational improvement initiatives

Improve productivity of supply chain and operations

- Asset optimization
- Production system roll out
- Lean six sigma
- Industrial IT platform
- Yield, waste and quality focus

Strengthen commercial excellence

- Customer value creation
- Organic growth
- Margin management
- Sales force productivity

Reduce organizational costs

- Restructuring
- Organization delayering
- Restricted recruitment

Enhance product and process innovation

- New applications and products
- Variable cost reduction
- Process intensification
- Standard processes

Differentiated strategies per platform

Outgrow the market organically

~ 50% of portfolio

Main platforms

- Bleaching chemicals
- Surfactants



Actions

- Capitalize on investments
- Grow by successfully commercializing products for attractive applications

Improve performance by driving operational excellence

~50% of portfolio

Main platforms

- Salt-chlorine chain
- Polymer catalysts
- Ethylene oxide network



Actions

- Reduce costs and further improve productivity in operations
- Improve raw material (cost) position

Bleaching Chemicals: Creating value from Chemical Islands



Bleaching chemicals: Growth via integration with customers

Market

- Stable and growing market
- Packaging materials is growth driver
- Geo shift to South America

Customers

- Domtar, Georgia Pacific, Stora Enso

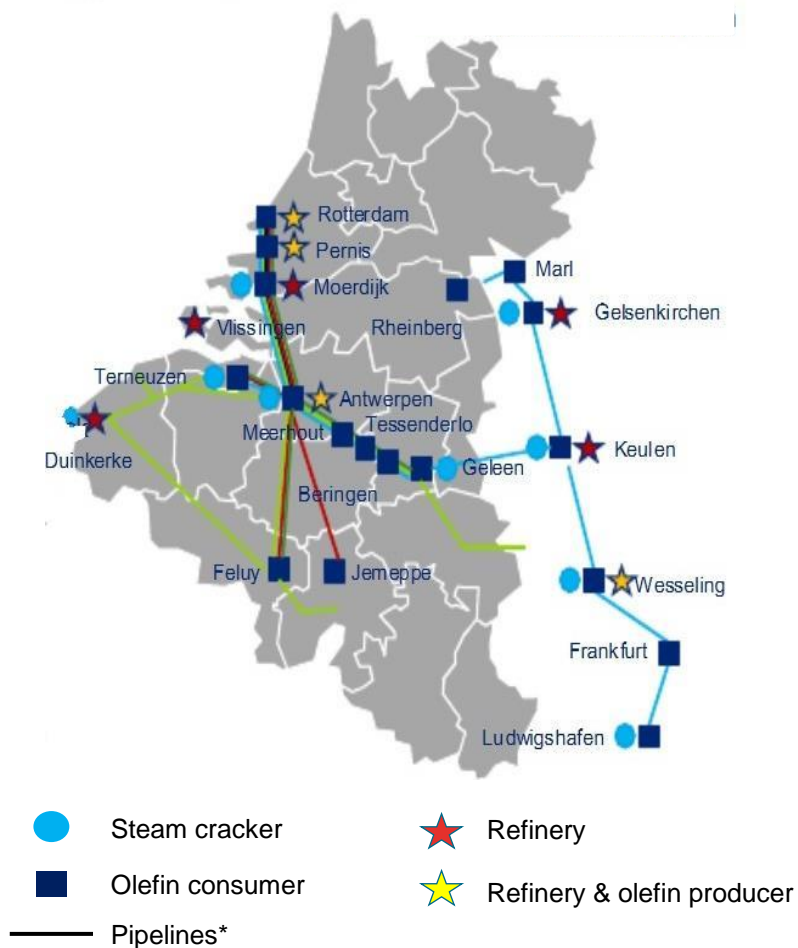
AkzoNobel strengths

- Technology leader
- Chemical island concept creates high value for stakeholders
- Sustainable manufacturing footprint

Actions going forward

- Capitalize on current chemical islands
- Pursue new opportunities
- Reduce costs through process improvements and automation

Salt-Chlorine chain: Right at the heart of the customer base



* Pipelines transporting crude oil (RAPL), nafta (PALL), industrial gasses, ethylene and propylene

Salt-chlorine chain: Leveraging an advantaged asset base

Market

- Flat
- Industry consolidation

Customers

- Bayer, Huntsman, Shin-Etsu

AkzoNobel strengths

- Number 1 in Northwest Europe in chlor alkali and salt
- Linked to key players in the industry
- Number 1 globally in MCA and chloromethanes
- Relatively low dependency on ethylene



Actions going forward

- Continue cost/technology leadership improvements
- Further reduce dependency on gas
- Exploit full potential of Frankfurt investment

Polymer catalysts: Reaping the benefits from innovation

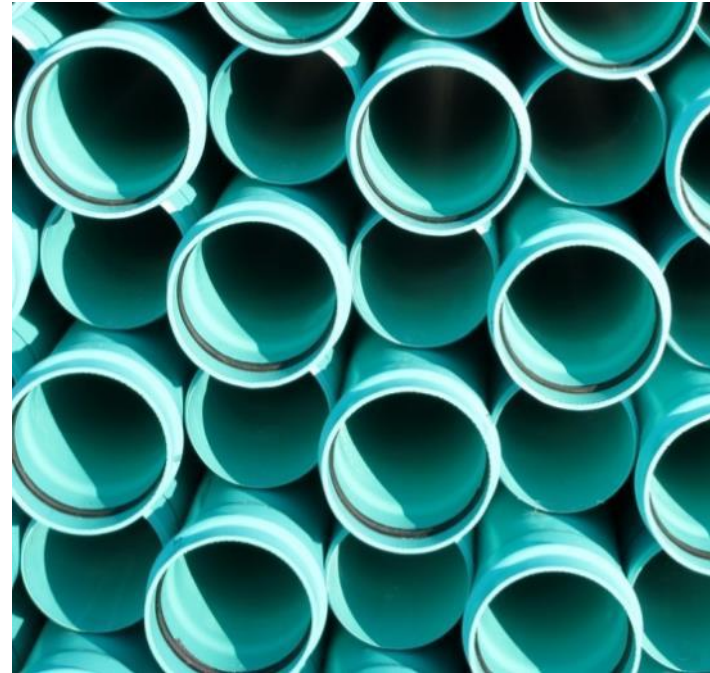
Patented dosing technology

- 20 -30 % higher reactor output
- Improved safety and quality



Implemented by plastic producers:

- Vinnolit GmbH & Co. - Germany
- Ercros SA - Spain, JSC
- Kaustik - Russia
- Mexichem - Mexico



Polymer catalysts: Leadership through operational excellence

Market

- Global plastics market consistently growing
- Shift from Europe to Asia and Middle East

Customers

- BASF, Dow, Shin-Etsu

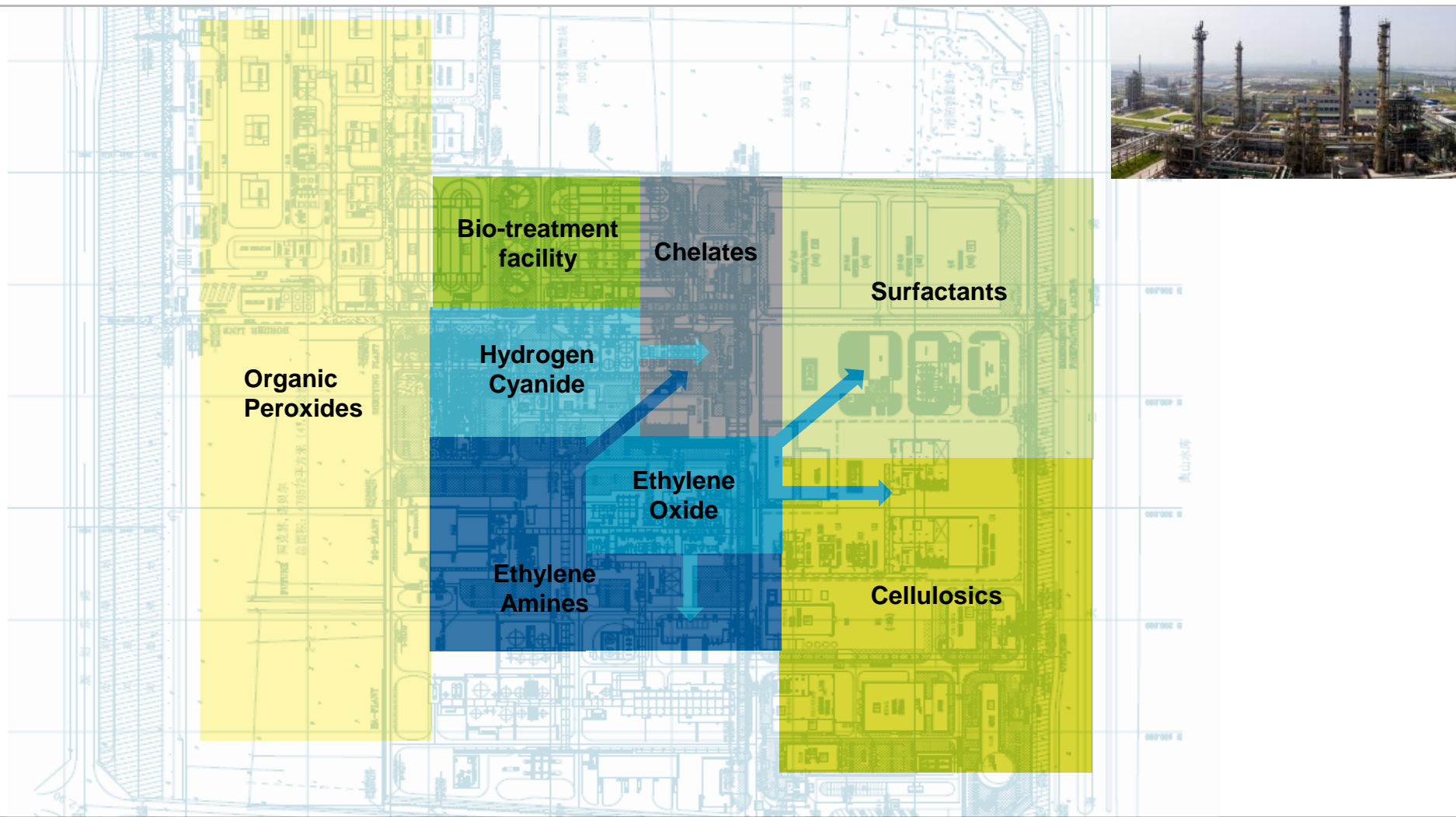
AkzoNobel strengths

- Market and technology leader
- Global manufacturing network
- Combination of organic peroxides and metal alkyls

Actions going forward

- Restructure European footprint
- Exploit investments in China
- Expand customer base with on site dosing technology

Ethylene oxide network: Capitalizing on China investments



Ethylene oxide network: Optimize value chains of integrated clusters

Market

- Diverse end markets, many of which are low cyclicity

Customers

- Air Products, AkzoNobel Decorative Paints, Yara

AkzoNobel strengths

- Integrated clusters close to end markets
- Recent investment in all technologies in China, creating a new network hub
- Cost reductions delivered in manufacturing and support functions

Actions going forward

- Capitalize on investments by further expanding in Asian markets
- Optimizing product supply across the value chain
- Successfully market Stimwell and cellulose

Surfactants: Growing with attractive end markets

Oilfield



Lubricants



Mining



Agriculture



Surfactants: Broad and innovative application spectrum

Market

- Mix of markets with steady and high growth patterns
- Some markets actively demanding further product innovations

Customers

- Baker Hughes, Lubrizol, Monsanto

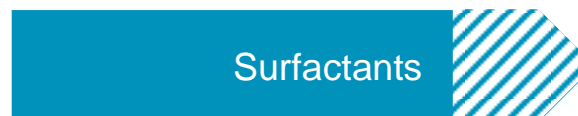
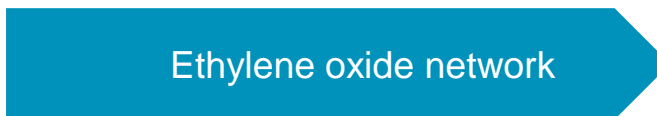
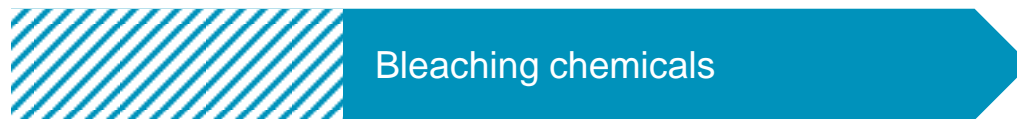
AkzoNobel strengths

- Leader in nitrogen surfactant technology
- Global production network
- Strong innovation pipeline

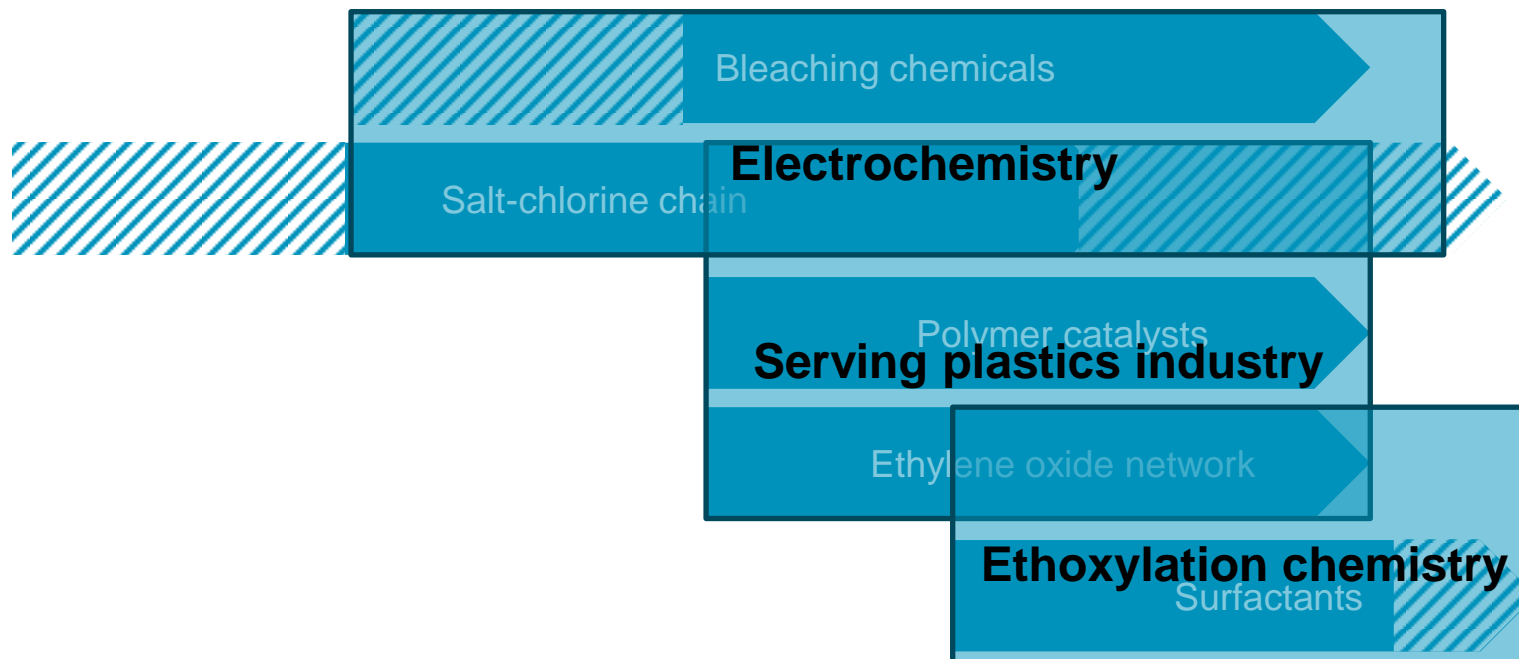
Actions going forward

- Allocate resources to most attractive market (agricultural, mining applications, oilfield, fuel and lubricants)
- Capitalize on and expand our position in China
- Leverage global leadership in nitrogen surfactants

Our platforms build on value chains



Our platforms build on value chains



Financials

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Key financials

Underlying

€ million	2011	2012	2013
Incidentals	6	24	121
Operating income excl. incidentals	628	524	418
Return on sales excl. incidentals	11.8%	9.5%	8.5%
Restructuring charges	-	42	74
Operating income excl. restructuring charges & incidentals	628	566	492
Return on sales excl. restructuring charges & incidentals	11.8%	10.2%	10.0%

Underlying performance

- Challenging market conditions
- Recent investments positioned for further growth
- Continue the focus on productivity improvements

As reported

€ million	2011	2012	2013
Revenue	5,335	5,543	4,949
EBITDA	909	830	726
Operating income	622	500	297
Return on sales	11.7%	9.0%	6.0%
Return on investment	18.3%	13.6%	8.2%
Employees	11,510	10,750	10,430

Expected 2015 financial outcomes

- Return on sales: 12%
- Return on investment: 15%

Summary and conclusions

- Business at a glance
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We will deliver our 2015 expected outcomes

Our business

- Serving attractive markets
- Leading in 5 platforms
- 56% of revenues outside mature Europe
- Expansion investments operational

What we will do

- Grow selectively
- Exploit manufacturing clusters
- Continuously improve productivity
- Functional excellence

All of this will lead to our expected 2015 financial outcomes:

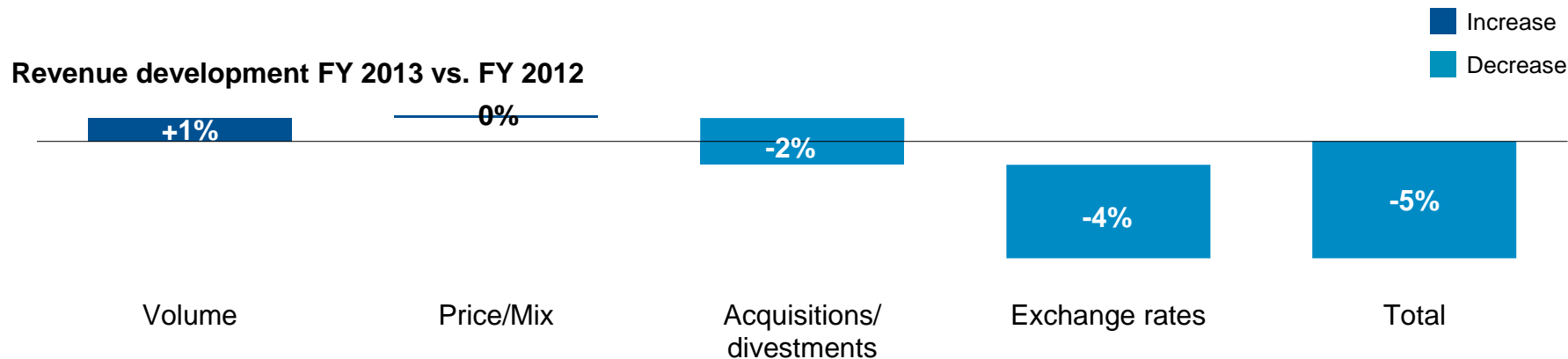
- Return on sales: 12%
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Financial Topics
Keith Nichols

Summary 2013 results

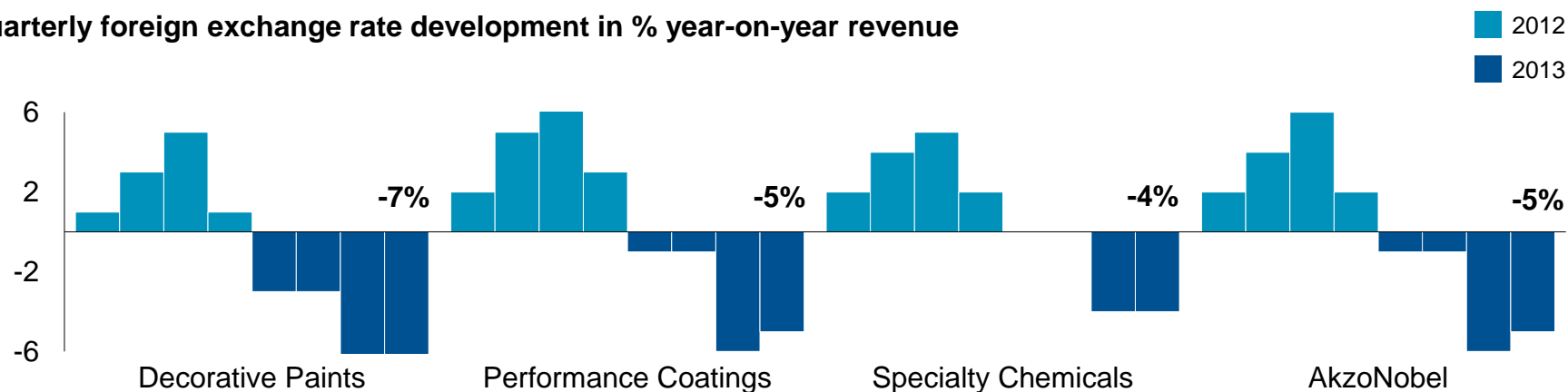
€ million	FY 2013	Δ%
Revenue	14,590	-5
Operating income	958	6

Ratio, %	FY 2013	FY 2012*
Return on sales	6.6	5.9
Return on sales (excluding incidentals and PIP costs)	8.5	8.2
Moving average return on investment	9.6	8.9



Foreign currency developments

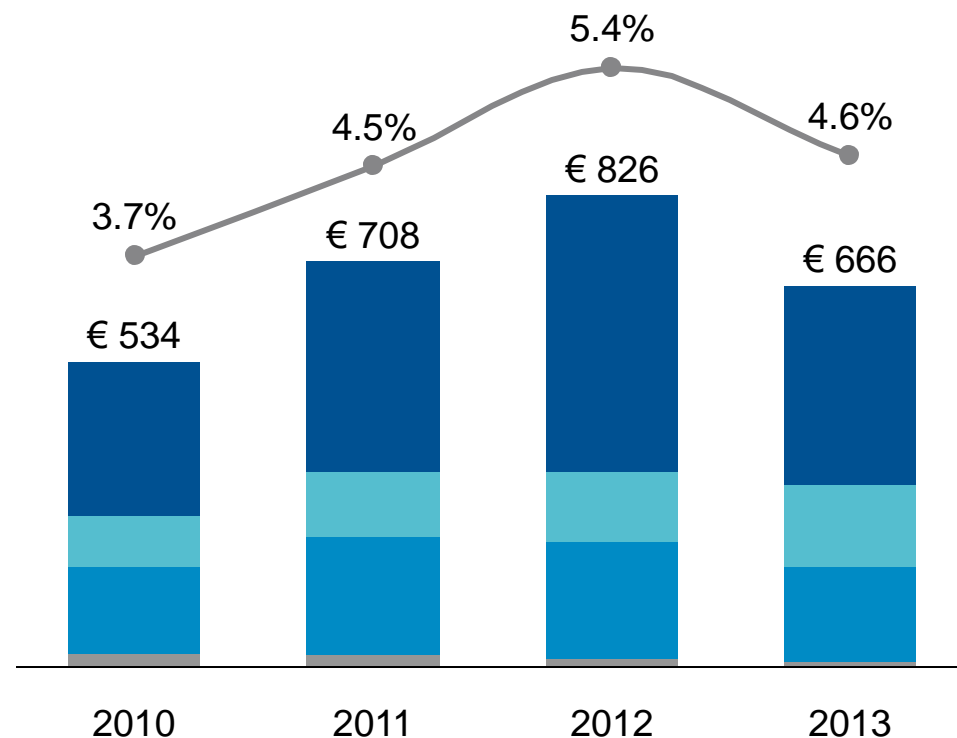
Quarterly foreign exchange rate development in % year-on-year revenue



- Adverse currency effects, particularly impacting 2H 2013, were visible in all business areas and largely driven by our exposure to high growth markets
- To a large extent revenues and costs are geographically matched giving a natural hedge to translational impact

Capital expenditure will be more in line with depreciation and amortization

Capital Expenditures (millions €)



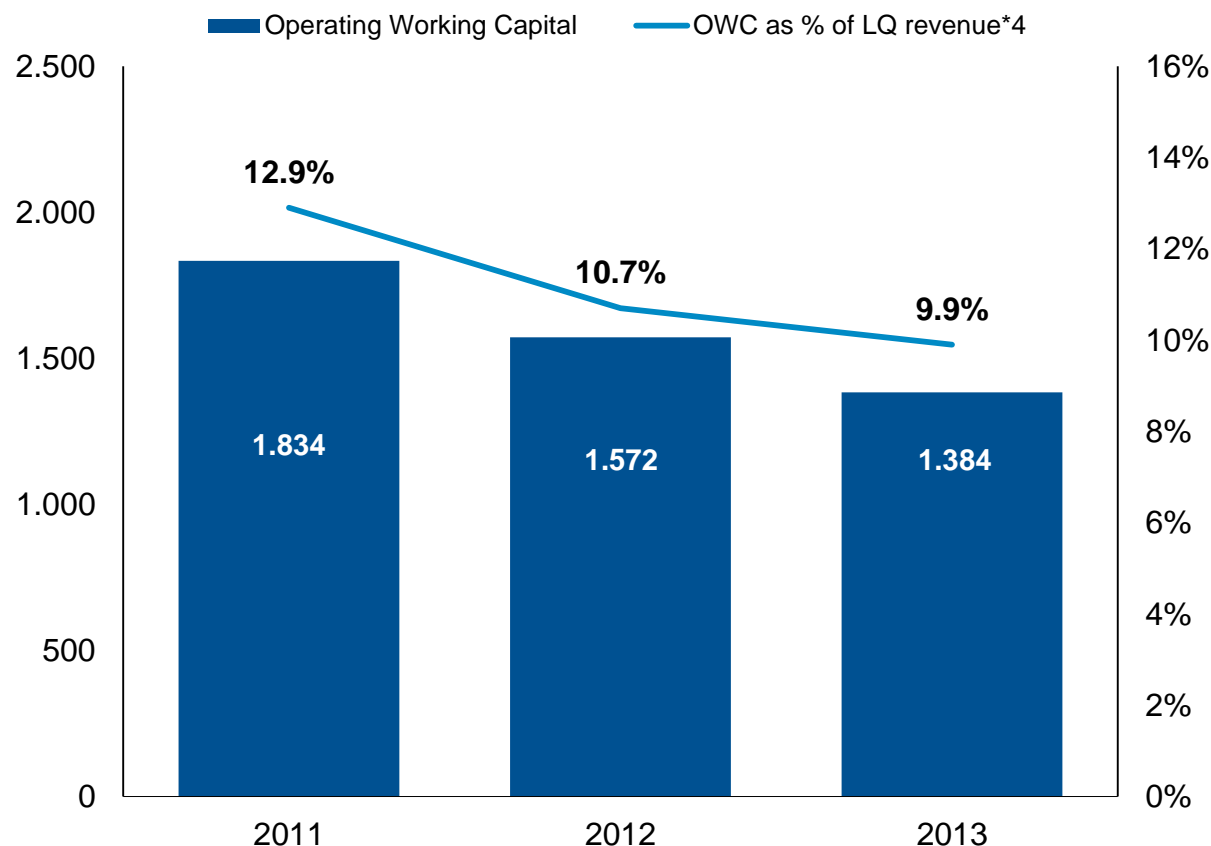
- 40-50% of capital expenditure is growth related
- Going forward, capital expenditure will be around 4% of revenues, in line with depreciation and amortization

■ Specialty Chemicals
 ■ Decorative Paints
 ■ Performance Coatings
 ■ Other
 — % of revenues

Performance improvement actions release cash in Operating Working Capital

Operating Working Capital

€ million

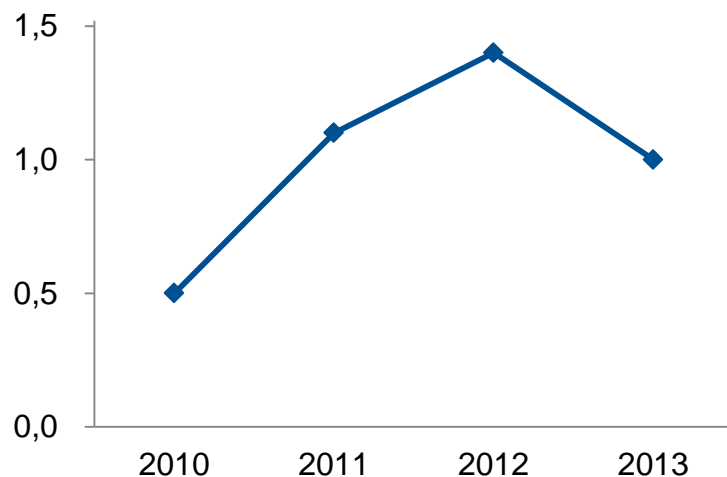


- Operating Working Capital as % of revenue has reduced towards 9.9%
- Significant seasonality occurs during the year with peak requirement in the summer

2015 target: net debt to EBITDA ratio of less than two

Net debt/EBITDA

x



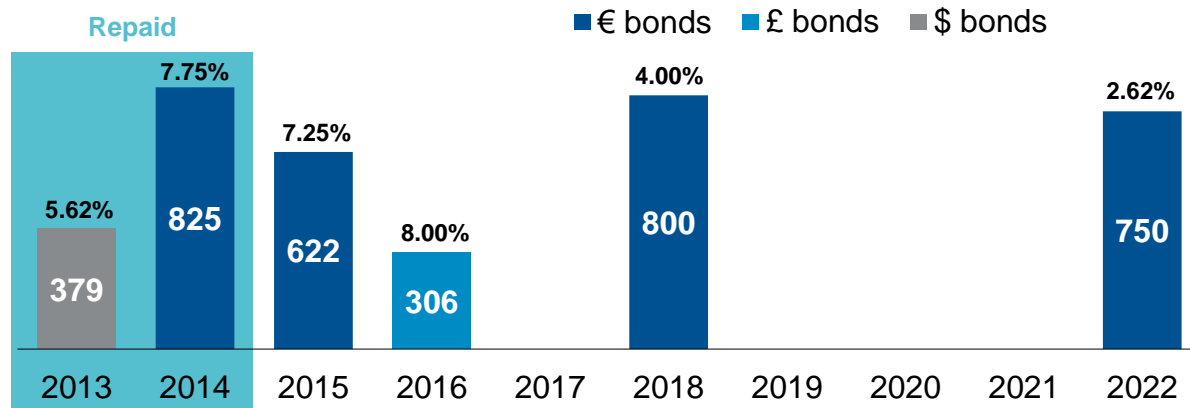
- We have a **strong liquidity** position to support business needs: net cash and cash equivalents €2.1 billion*
- Undrawn revolving credit facility of €1.8 billion (2018) €1.5 and \$3 billion commercial paper programs, backed by revolving credit facility
- 2013 improvement in Net Debt / EBITDA
- Maintain **investment grade rating** of BBB+

* At the end of Q4 2013

Continuously reducing costs of long term bonds

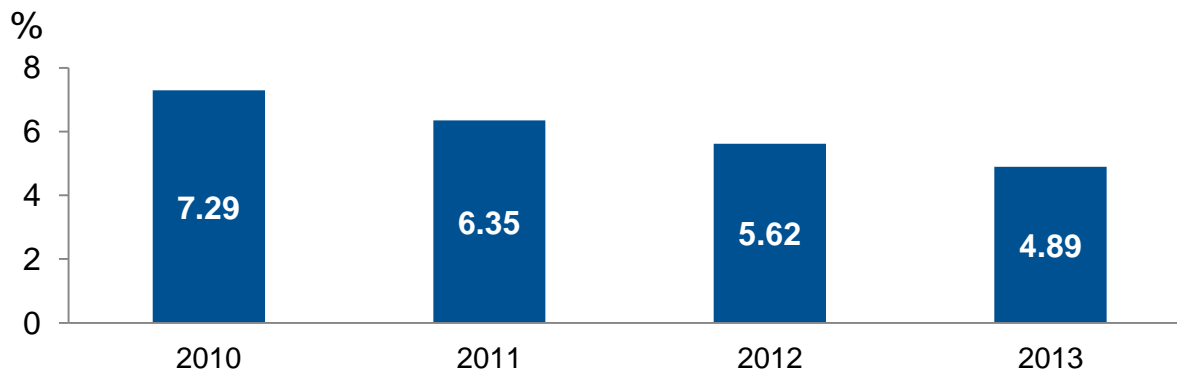
Debt maturities

€ million



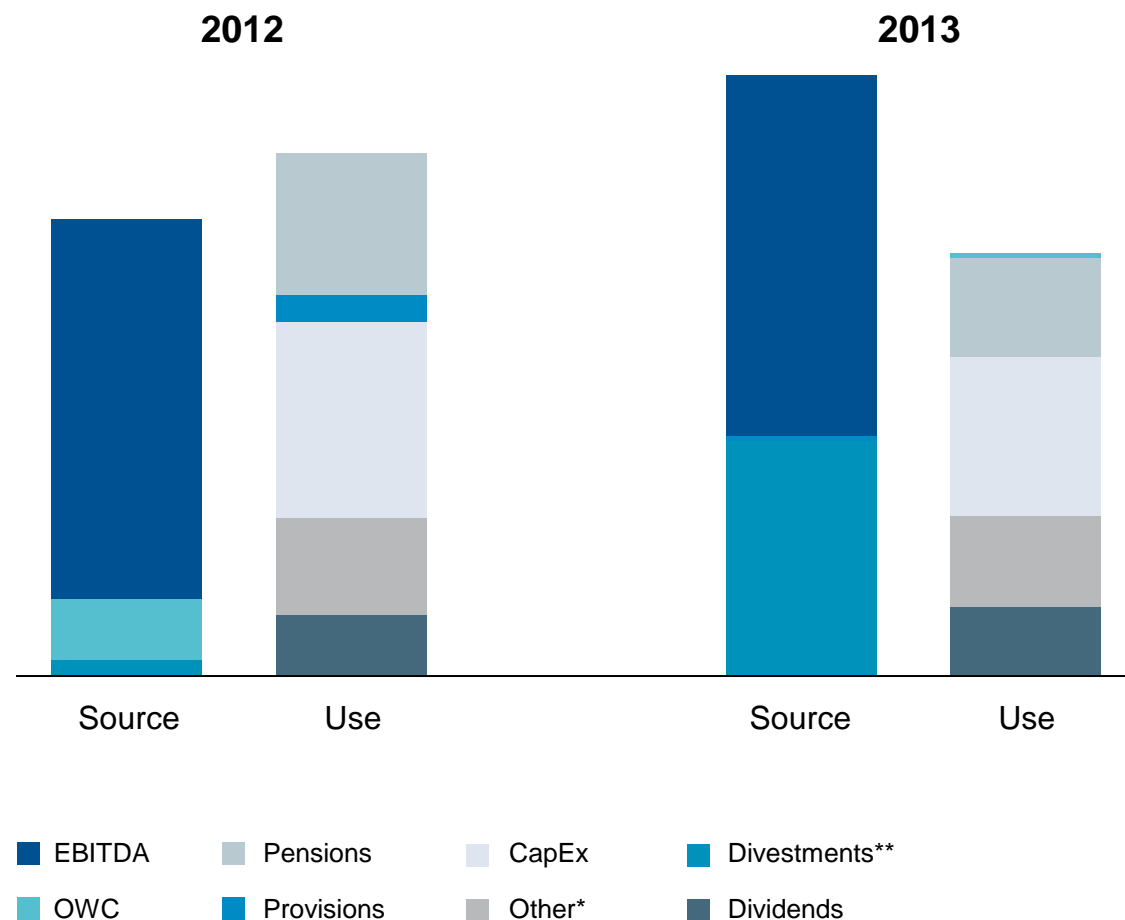
- Debt duration 3.6 years
- Improving cash flow and divestments enabled full repayment of two maturing bonds without refinancing

Average cost of long term bonds



On track to deliver cash positive after dividend in 2015

Cash flow sources and uses



- Restructuring and pension top-ups consume a significant proportion of cash
- Performance improvement focus starts to address cash challenge
- Remuneration metrics include cash generation
- Positive cash in 2013 driven by divestments of Decorative Paints North-America and Building Adhesives

Proactively managing or removing pension liabilities

Retain and Manage Risk	Interest rate / Inflation hedging	<ul style="list-style-type: none"> • ICIPF's active management of interest rate and inflation exposure, with around 80% of defined benefit obligation (DBO) risks hedged to date
	Longevity hedging	<ul style="list-style-type: none"> • Courtaulds (CPS) longevity swap with Swiss Re in 2012 (€1.75billion)
	Captive insurance	<ul style="list-style-type: none"> • Considered to be too complex
Remove Risk	Divestments	<ul style="list-style-type: none"> • Sale of Decorative Paints Canada in 2013 (DBO reduced by €301 million) • Sale of National Starch in 2011 resulted in substantial DBO reduction
	Cash out / Sleeper management	<ul style="list-style-type: none"> • US plan deferred members offered a cash out in 2013 (red. €85 million) • UK CPS cash out in 2013 (DBO reduced by €39 million)
	Buy-in / Buy-out	<ul style="list-style-type: none"> • USA buy-out with MetLife in 2013 (DBO reduced by €493 million) • Sweden buy-out in 2008; substantial DBO reduction

Pension cash flow guidance

Defined benefit pension cash top-ups

€ million

2013 actual*	311
2014 -17 est.**	~330/year
2018 est.**	~100

Regular contributions

€ million 2014 estimated

Defined benefit	110
Defined contribution	180

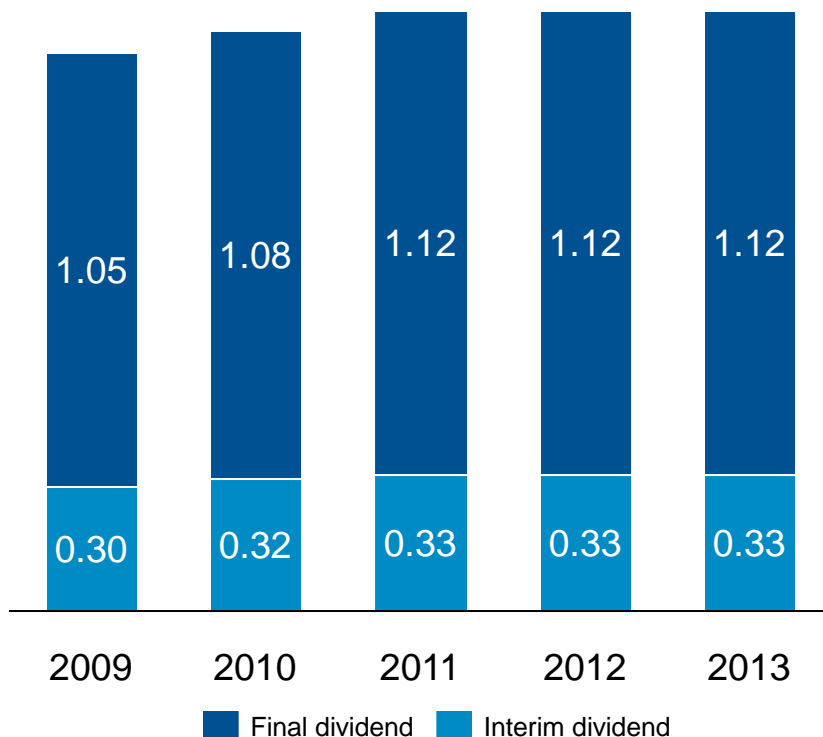
- Top-ups relate mainly to the 2 big UK plans, the ICI Pension Fund and the CPS Pension Scheme
- Top-ups are based on prudent actuarial valuation of liabilities, which differs from accounting liability
- Actuarial pension deficit of the 2 big UK plans is estimated at €1.5-2 billion
- The next triennial funding review for the ICI Pension Fund is expected to be completed in 2015 and in 2016 for the CPS Scheme
- The forward looking estimates make no allowance for changes in the funded status at future actuarial valuations or for additional contributions to de-risking such as the 2013 MetLife transaction in the US

*Excludes one-off contribution of €127 million to our US plan to part-finance the transfer of pensioners to MetLife in December 2013

** Based upon currently agreed deficit contribution schedules for the UK plans

Dividend policy unchanged

Dividends paid (€)



- Our dividend policy is to pay a stable to rising dividend each year
- An interim and final dividend will be paid in cash unless shareholders elect to receive a stock dividend

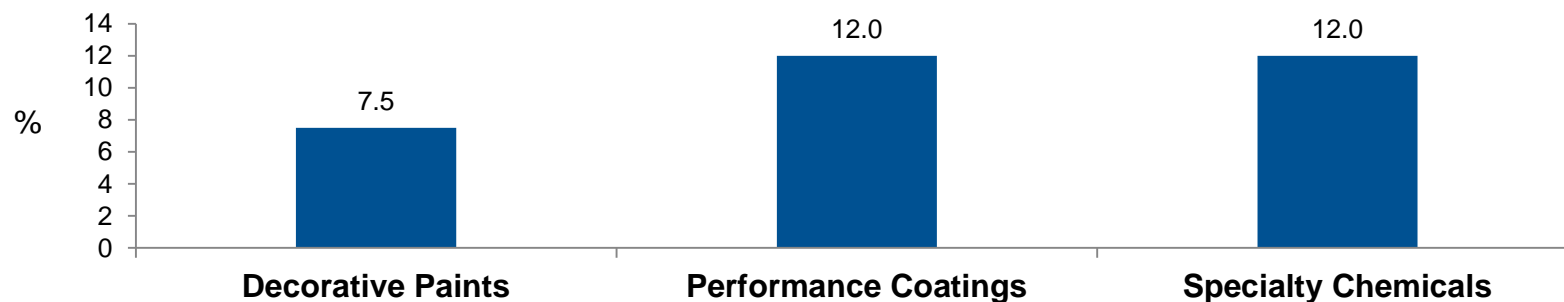
Financial summary

- We are delivering performance improvement with our strategy:
 - Underlying return on sales and return on investment improving
 - Net debt and cost of borrowing significantly reduced
 - Performance Improvement Program finalized early
 - Further pension de-risking with the US MetLife buyout
- Cash challenge being addressed
- Capital expenditure levels are lower, more in line with depreciation and amortization
- Restructuring costs will continue in 2014; expected to be greater than €250 million and will be more evenly spread over the year and Q1 2014 will be higher than the same quarter last year
- Foreign exchange movements are expected to continue to have an impact on our results

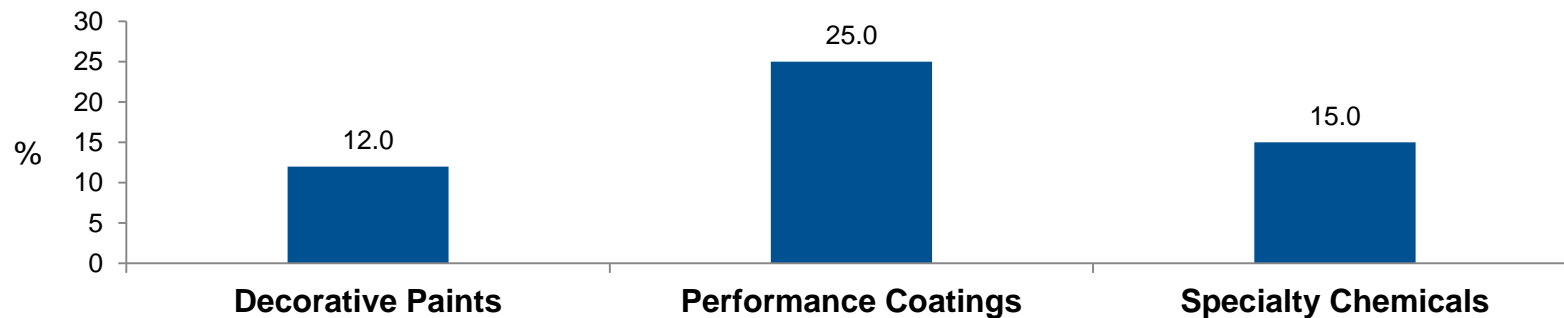
Conclusion
Ton Büchner

Expected 2015 outcomes per business area

Return on sales

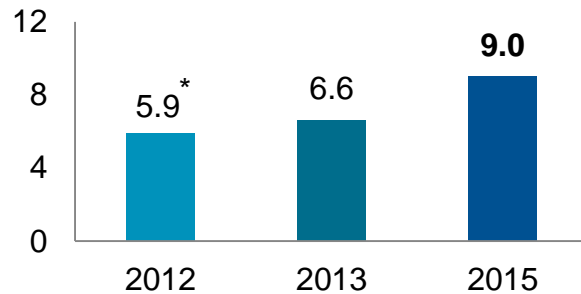


Return on investment

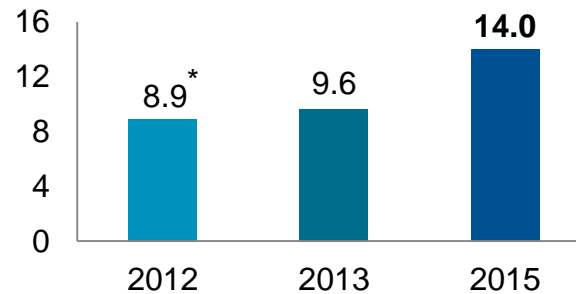


2015 financial targets focused on quality of earnings and value creation

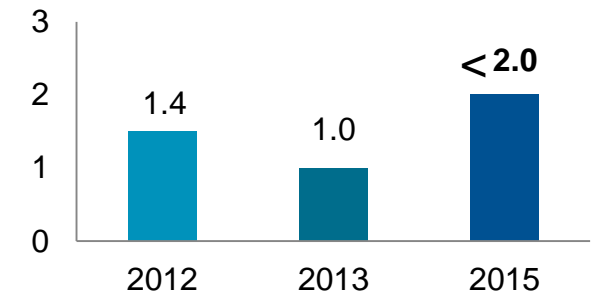
Return on sales
(Operating income/revenue)
%



Return on investment
(Operating income/average
12 months invested capital)
%



Net debt/EBITDA
x



On track to achieve 2015 targets

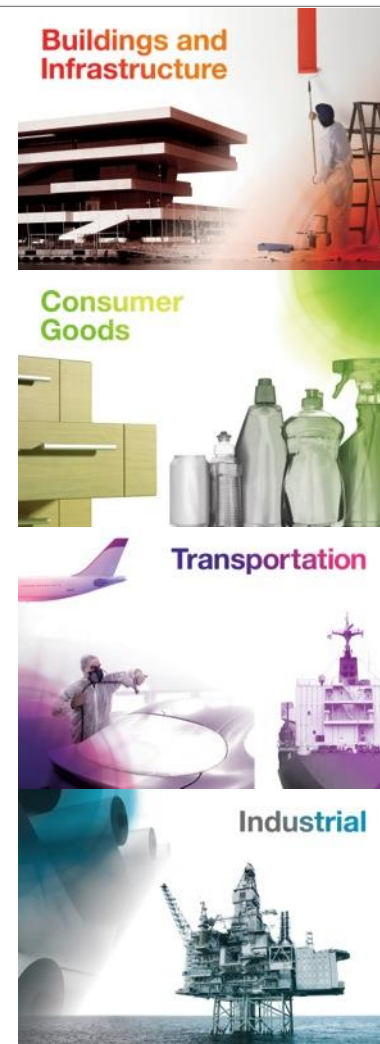
We will deliver our 2015 targets

What has been done

- New strategy, targets, team, remuneration and company values
- Performance Improvement Program successfully completed
- Delivering in line with guidance despite difficult market conditions with currency headwinds
- Underlying return on sales and return on investment improving

What are we doing

- End-user segment focus providing direction for our market initiatives and innovation spend
- Driving continuous improvement through restructuring, cost reduction and delivering organic growth
- Focus on operating income, return on investment and cash generation
- Drive cultural change with company values roll-out
- We remain on track to deliver our 2015 targets



Questions

Safe Harbor Statement

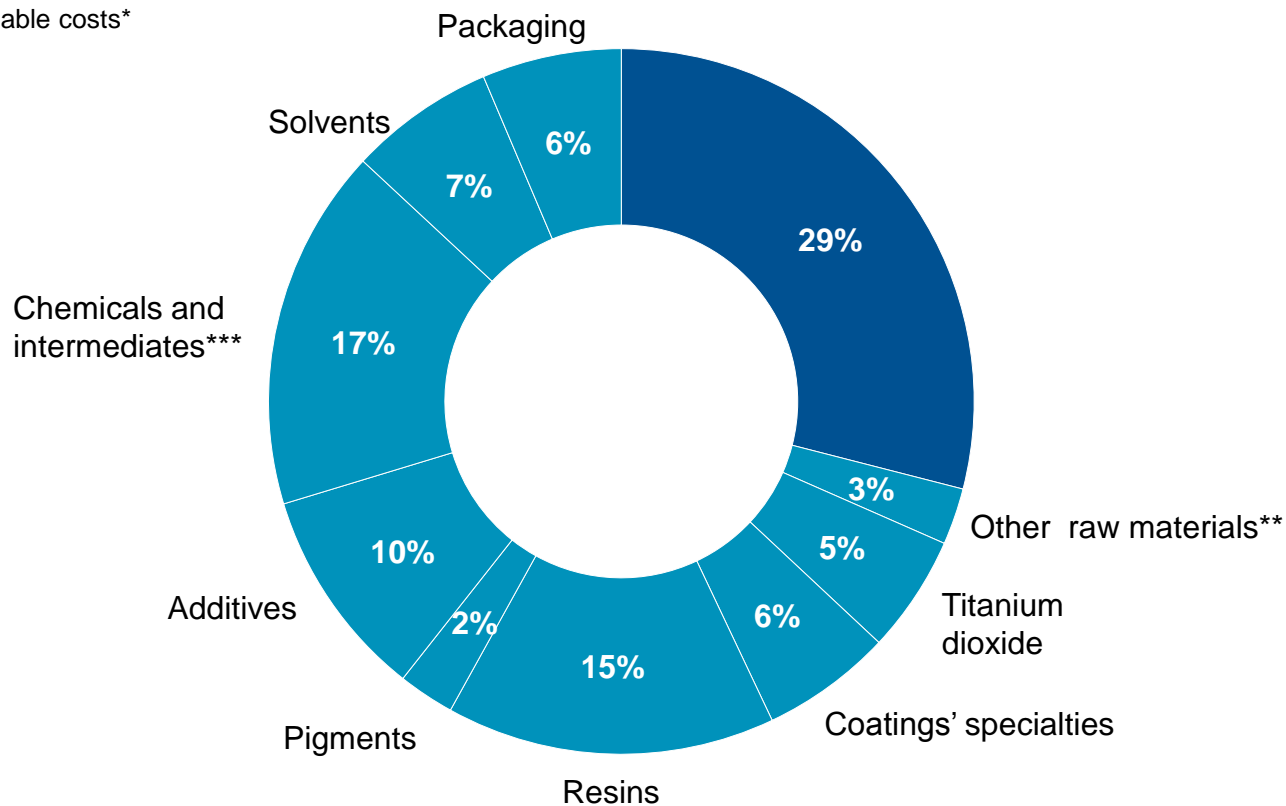
This presentation contains statements which address such key issues as AkzoNobel's growth strategy, future financial results, market positions, product development, products in the pipeline, and product approvals. Such statements should be carefully considered, and it should be understood that many factors 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.

Appendices

Variable costs analysis

2013 (excluding Decorative Paints North America)

- Energy & other variable costs*
- Raw materials



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

*** Chemicals and intermediates include caustic soda, acetic acid, tallow, ethylene, ethylene oxide, sulfur, amines etc.

Both short & long term incentives have been aligned with our priorities

Executive short term incentive 2013

STI Element	Metric
20%	Return on investment
20%	Operating income
30%	Operating cash flow
30%	Personal targets – related to performance improvement plan

Executive long term incentive 2013

LTI Element	Metric
35%	Return on investment
35%	Total Shareholder Return
30%	Sustainability / SAM - DJSI

- More than 600 executives are affected by this change
- Alignment of priorities
- Return on investment incentive brought closer to relevant management levels

Innovation Pipeline 2014 Decorative Paints – Coral Coralit Zero

Key Features

- Premium waterborne with excellent finish
- Very fast drying – 2 hours between coats
- High blocking resistance “same day” concept
- Low VOC emission - >60% less than previous formulation

Customer Benefits

- Odorless, quick drying and non-yellowing
- Improved open time – better spreading and levelling
- Easier cleaning of application tools (brush, roller & spray-gun)
- An affordable enamel – great value for money

Growth potential

- Launched in Brazil and extended into Argentine market – reduced marketing complexity in LATAM
- Scope for introducing quality improvements and cost savings into the European and Asian markets
- Potential to deliver sustainability targets of VOC emissions and eco-premium sales



New waterborne enamel with superior performance for the LATAM decorative market

Innovation Pipeline 2014

Wood Finishes – Duritan[®] fire retarding, high-gloss system

Key Features

- High-gloss wood coating for luxury interiors based on proprietary technology (joint Lufthansa Technik/AkzoNobel patent)
- Unsurpassed aesthetics originating from smooth, high-clarity, high-gloss finish
- Compliant with fire retardancy requirements for aircraft and the International Maritime Organization



Customer Benefits

- Market-leading finish setting the industry benchmark
- Exclusivity to Lufthansa Technik for use in the VIP jet market
- Easy and secure application
- Reduced refit time for VIP jets

Growth Potential

- Exclusive to Lufthansa Technik for the VIP jet market
- Significant growth opportunities identified for the luxury yacht market (launch in 2014)

A fire retarding, high-gloss coating system for wooden interiors of luxury jets and yachts

Innovation Pipeline 2014 Industrial Chemicals – Ecosel® AsphaltProtection

Key Features

- Additive to de-icing brine in small amounts
- Prevents formation of hard ice inside asphalt pores
- Reduces frost damage to roads substantially
- Harmless to people and nature
- Eco-premium product



Customer Benefits

- Up to 50% less winter damage to road surface
- Substantial savings on road maintenance and repair
- Asphalt lifetime extended
- Contribution to traffic safety

Growth Potential

- Product to be launched in Q1-2014
- Global potential: all roads subject to wintry conditions

Reducing frost damage to roads