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.
AkzoNobel:
Who we are and what we stand for.

Sustainability at AkzoNobel
What we’ve achieved and why it’s important.

Resource Optimization in Manufacturing
Examples of success; future-proof supply chain, renewable raw materials and energy.

Resource Optimization through Product Science and Applications
How our customers can benefit from our science.

How we’re achieving and what we intend for the future.
Future challenges, RD&I/Manufacturing focus
AkzoNobel Today

- Revenue €15.4 billion, (~$20.0 billion)
- 50,610 employees
- 44% of revenue from high growth markets
- Major producer of Paints, Coatings and Specialty Chemicals
- Leadership positions in many markets

Revenue by Business Area

- 36% Coatings
- 37% Decorative Paints
- 27% Specialty Chemicals

5.4% Growth 2012 vs. 2011

Operating income* by Business Area

- 44% Coatings
- 48% Decorative Paints
- 8% Specialty Chemicals

5.9% Return on sales (operating income/revenue)

EBITDA** by Business Area

- 47% Coatings
- 38% Decorative Paints
- 15% Specialty Chemicals

10.4% EBITDA/revenue

*2012 excluding impairment (€2.1 billion) **New definition including incidentals and after IAS19
AkzoNobel and Sustainability.

Vision: Leading market positions delivering leading performance

To be the leader in:

- Operating efficiency and customer service.
- Innovation.
- Sustainability.

With key business targets of:

- Return on sales (ROS, operating income/revenue).
- Return on investment (ROI, operating income/average 12 months invested capital).
- Carbon emissions across the value chain.
- Eco-premium solutions.
Sustainability is Business; Business is Sustainability

- Eco-premium solutions 20% of our revenues by 2020
  
  *We will increase the revenue from solutions that generate direct resource and energy benefits for our customers, consumers and users*

- 25-30% reduction CO₂ per ton by 2020 (2012 base)
  
  *We will reduce our carbon emissions through the value chain*

- We linked remuneration to these targets and ambitions
  
  Our executive bonuses are linked to performance in the leading sustainability index (SAM / DJSI)

- Eco Efficiency Assessment mandated for all major investments

- Resource efficiency
  
  As of 2014 AkzoNobel will report new index measuring resource efficiency across the full value chain - compared to value we generate
AkzoNobel and Sustainability.

2012 AkzoNobel won the Dow Jones Sustainability Award in the Chemicals Super Sector.

Sustainability underlies our corporate initiatives.

**Ton Buchner, CEO speaks about how important sustainability is.**
Examples of Sustainability in Action.

Future Proof Supply Chains

Renewable Raw Materials

Renewable Energy Strategy

Operational Eco Efficiency

Eco Premium Solutions
Future proofing supply chains means building NEW alliances, for true partnerships.

To bring new supply chains to life we have to overcome the Valley of Death.

We are pursuing alliances to help reduce risks along the value chain:

- Agro inputs
  - Commit biomass

- Bio-based precursor producer
  - Invest in new plant

- Resin producer
  - Retool existing plant

- Customers
  - Formulate product
  - Commit to new product

Graph by John Petersen (Energy Storage, The Valley of Death and The Elephant Hunters)
Renewable Raw Materials.
Renewable Raw Materials and White Biotechnology Strategy.

Shortlist of drop-in renewable raw materials
- Epichlorohydrin
- n-Butanol
- Acetone
- Acrylic acid
- Ethylene
- Xylenes
- Terephthalic acid
- Acetic acid
- Methyl methacrylate
- Ammonia
- Adipic acid

Key White biotechnology opportunities
- Pulp Mill Biorefineries
- Bio-Chlorination
- Bio-Amination
- Algae-based oils/fats
- Natural chelates
- Plant Serum Extracts

Shortlist of novel renewable raw materials
- Isosorbides
- Sugar Acrylates
- Novel Fatty Acids / Oils
- Terpenes
- Lignin
- Bio-based opacifiers
Renewable Energy Strategy

AkzoNobel's Chemical Island concept

AkzoNobel's Pulp and Performance Chemicals business operates Chemical Island facilities at several pulp mills in Brazil.
Operational Eco-Efficiency

The Process Efficiency Community of Practice.

Solvent Reduction and Replacement
- Identification of global problems and sharing of best practices leading to savings and global improvements.

Water Reduction.
- Fresh Water Sustainability Assessment Tool.
- Active water reduction programs

Packaging Reduction.
- Bulk/intermediate bulk, renewable and compostable packaging.
Pulp and *Performance* Chemicals: Eco Premium Solutions.
High Filler Technology

- Unique patented technology for enhancing paper strength and filler content.
- Replaces tree fiber with non-wood filler for major cost saving.
- Simultaneously enhance strength performance of the paper or board.
- Applicable for fine papers and packaging grades and GCC or PCC fillers.
- Reduces energy consumption in the papermaking process.
- Filler is pre-treated with our ECA (Engineered Cellulosic Additive) and CCA (Charge Control Additive) using the proprietary mixing equipment.
Nano-particle Development

Degree of structure or ROBUSTNESS

Consumption of product

1980's first generation technology

2nd Gen

Optimized for Starch Systems

NP 442

3rd Gen

Optimized for Polymer Systems

NP 780

BMA 0

Eka NP 2180

Surface Area m²/g or REACTIVITY

AkzoNobel Pulp and Performance Chemicals
Injection Technology

- Innovative chemical injection technology developed by AkzoNobel

Achieves major savings and lowers environmental impact:

- Reduced chemical usage
- Reduced water
- Reduced energy
- Increased OME
Endorsement of Success.

At NewPage, we continuously search for ways to improve the sustainability and competitiveness of our mills. Sustainability is always about optimizing costs, environmental performance and social implications, while also focusing on our customer needs and expectations.

In late 2010, our team partnered with EKA Chemicals to explore an entirely new mixing technology and chemistry, aiming to reduce costs and environmental impact. The Wisconsin Rapids, Wisconsin, mill saw an opportunity to improve productivity and save water and energy by making two changes on the paper machine—switching to advanced retention chemistry, followed by the installment of injection technology.

First, we switched to a proprietary fourth-generation nanoparticle (NP) colloidal silica sol and polymer-based system, yielding quality benefits, as well as steam, energy and chemical savings. Next, a dual TrumpJet injection system lifted performance even higher, because rapid, intensive mixing capability allows for the nanoparticle silica sol and polyacrylamide additions to evenly disperse throughout the stock in just seconds.

These two changes were very successful and exceeded our expectations. The results are as follows:

- Achieved overall cost reduction while maintaining the quality of all grades
- Reduced energy usage annually of 50,000 MMBTU’s, which correlates to a 2,750 metric ton reduction of carbon dioxide (CO₂), a greenhouse gas
- Saved 80 million gallons of water annually, which is enough water to supply 1,500 people per year
- Reduced polymer usage by 40 percent
- Reduced dosages of the new NP material by more than one-third
- Decreased wet end starch dosage while internal bond values increased
- Decreased steam consumption per unit of paper and reduced press moisture
- Improved sheet formation across all grades analyzed, while brightness and opacity showed inconsequential change

The results are a win-win for suppliers, our company and our customers, and show the power of a strong partnership and teamwork.
Research Challenges.

Resource Restriction in the P&P Industry

- Higher Filler Loads
  - Less Robust Chemistry
  - More water closure
  - More robust chemistry
  - Higher yields required
- More secondary fibers
  - Better bleaching
  - Better retention
  - Chemical removals
  - Renewable chemistry solutions
  - New strength technologies
  - New fiber sources
  - Synthetic strength aids
  - Better papermaking
  - Better papermaking
  - New bulking aids
  - Less rigid sheets
  - New filler technologies
  - Morphologies
  - Pre-treatments
  - Ditler systems
  - Better water management
  - High COD/BOD in wastes
  - Enzymatic conversions
  - Difficult working environments
  - Higher corrosion
  - Bug factories
  - Risk of thermal shocks
  - CIO2 demand increases
  - More contaminants
  - More fillers
  - Demand for strength
  - Demand for stiffness
- Less wood pulp
  - Higher filler loads
  - Less bulking sheets
- Limited water supply
  - Lower energy inputs
  - Better drainage
  - Better drying
  - Lower drive leads
  - Less water to pump
  - Recycling of heat
  - Lower process temperatures
  - Chemical Islands
  - Waste heat
  - Solar
  - Hydro
  - Wind
  - Wave/Tidal
  - Composites
  - Heat/Precise resistant plastics
  - Lighter equipment
- Energy depletion
  - Chemical Islands
  - On-Site generators
  - Bulkier paper products
  - Less transportation
  - Lighter materials
- Ditler systems
  - More robust chemistry
  - Injection technology
- New flocculent chemicals
- Better water management

Carbon offsetting
- Lighter materials
Thank you for your attention