

Refocused Akzo Nobel reports strong first quarter results

Following the March 12 announcement regarding the intended sale of Organon BioSciences (OBS), the results for the company's Pharma activities will, in line with IFRS, be shown under Discontinued Operations until the closing of the transaction, foreseen in the second half of 2007.

Financial highlights

EUR mln	Q1 2007	Q1 2006	% change
Revenues Coatings/Chemicals	2,501	2,472	1
EBITDA* Coatings/Chemicals	307	279	10
EBITDA margin*, in %	12.3	11.3	
EBIT* Coatings/Chemicals	219	185	18
Net income* Coatings/Chemicals	133	113	18
Net income* Organon BioSciences	111	102	9
Total net income	246	249	(1)

* Before incidentals

Highlights

- **Autonomous growth of Coatings/Chemicals 6%**
- **EBITDA margin further improved to 12.3%**
- **Operational results of Coatings/Chemicals 18% higher**
- **Coatings—higher EBITDA margin on 8% revenue growth**
- **Chemicals—strong EBITDA margin maintained on 4% autonomous growth**
- **EUR 11 billion cash deal for Organon BioSciences announced**
- **Good quarter for Organon and Intervet**
- **EUR 1.6 billion share buyback to commence May 3, 2007**

Arnhem, the Netherlands, April 24, 2007 – Akzo Nobel (Euronext Amsterdam: AKZ; Nasdaq: AKZOY) has reported a strong start to the year for the refocused company. The combined Coatings and Chemicals business posted autonomous growth of 6%, while operational results before incidentals were 18 percent higher than the corresponding period last year. The Pharma activities also performed well, with first quarter operating results jumping 8%.

At EUR 2.5 billion, revenues for Coatings and Chemicals were 1% above the Q1 figure for 2006, with autonomous growth of 6% being largely offset by a negative currency impact. The refocused company posted EBITDA of EUR 307 million, an increase of 10% compared with last year. The operating result was up 18%. Incidentals only had a minor impact during the quarter, in contrast to Q1 2006, when the company booked significant positive incidentals.

Excluding incidentals—but including the Pharma activities—total net income rose 13%, from EUR 215 million to EUR 244 million. Including incidentals, net income was virtually unchanged.

Commenting on the company's first quarter results, CFO Rob Frohn said: "The operational performance during the first quarter was very positive. I'm pleased that strong autonomous growth and the effects of our margin improvement programs, both in Coatings and Chemicals, resulted in an operating income increase of 18 percent. In addition Intervet reported a record quarter."

Coatings—higher EBITDA margin on 8% revenues growth

Coatings turned in a strong quarter, with revenues up 8% on 2006. The European businesses improved, and emerging markets continued to drive growth. Before incidentals, EBITDA rose 11% to EUR 153 million. Autonomous growth was 8%, with 5% due to higher volumes and 3% higher prices. Acquisitions added 4%, while currencies had a negative impact of 4%. Decorative Coatings delivered a promising start to the year, with both volume growth and improved margins, while the company's Marine & Protective activities enjoyed double digit revenues growth, led by Aerospace and Protective Coatings. The Industrial activities delivered a healthy performance, although the slowdown in the U.S. housing industry affected some parts of the businesses. Car Refinishes continued to report improved EBIT margins on both cost control and growth in emerging markets.

Chemicals—strong EBITDA margin on 4% autonomous growth

Chemicals revenues increased by 1% to EUR 917 million, with volume growth of 1% and price increases of 3% being partially offset by a negative currency impact of 2%. Before incidentals, EBITDA amounted to EUR 164 million, in line with last year. The EBIT margin improvement was a result of the margin management programs in all units. Pulp & Paper Chemicals benefited from higher margins for bleaching products in Europe and the Americas. Base Chemicals delivered a strong operational performance, driven by strong demand for chlor-alkali products. Functional Chemicals achieved increased margins in Chelates, Sulfur Products and Cellulosic Specialties, and the production issues in Ethylene Amines at our Swedish plant were resolved. Despite headwinds from currencies and higher raw material prices, the EBIT of Surfactants improved due to price increases and improved operational efficiency. EBIT of Polymer Chemicals was well ahead of 2006 due to cost savings and benefits from the margin improvement program.

Discontinued operation—Organon BioSciences

First quarter revenues for Pharma amounted to EUR 920 million, equal to the same period in 2006. The EBIT of OBS before incidentals was up 4% to EUR 147 million. Organon's autonomous growth of 4% was more than offset by currency effects and the loss of Avinza[®] sales. NuvaRing[®] is continuing to do well. The EBIT was unchanged at EUR 84 million. Intervet reported a record quarter, driven by autonomous growth of 12%. The European region and products for companion animals were particularly strong contributors. The Intervet EBIT margin improved to 21.7%. The preparations of the transfer of Organon BioSciences are on track.

Workforce

Akzo Nobel's workforce in Coatings and Chemicals was 42,880 employees, up from 42,690 at year-end 2006. The number of employees at Organon BioSciences was 19,140.

Strong financial position

The company's strong financial position improved further due to a decrease of EUR 0.1 billion net interest-bearing borrowings to EUR 1.0 billion.

Trading conditions

Akzo Nobel is well positioned for profitable growth. Assuming no important change in the major economies of the world, the company believes that it is well placed to outgrow its markets and improve the financial returns in Coatings and Chemicals.

The Report for the 1st quarter is attached and can be read on the company's corporate website:

<http://www.akzonobel.com/com/News/Reports.htm>

Note to editors

Akzo Nobel is a Fortune Global 500 company and is listed on both the Euronext Amsterdam and NASDAQ stock exchanges. It is also included on the Dow Jones Sustainability Indexes and FTSE4Good Index. Based in the Netherlands, we are a multicultural organization serving customers throughout the world with coatings, chemicals and human and animal healthcare products. We employ around 62,000 people and conduct our activities in these four segments, with operating subsidiaries in more than 80 countries. Consolidated revenues for 2006 totaled EUR 13.7 billion. The financial results for the second quarter will be published on July 24, 2007.

Internet: www.akzonobel.com

Not for publication – for more information

Akzo Nobel nv
Corporate Media Relations, tel. +31 26 366 43 43
Contact: Tim van der Zanden

Safe Harbor Statement*

This press release may contain 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. The 2006 Annual Report on Form 20-F will be available at the end of the second quarter of 2007.

* Pursuant to the U.S. Private Securities Litigation Reform Act 1995.