

Akzo Nobel continues strong performance in transformational year

Financial highlights

Millions of euros	Q3 2007	Q3 2006	% change
Revenues Coatings/Chemicals	2,600	2,553	2
EBITDA* Coatings/ Chemicals	333	312	7
EBITDA* margin, in %	12.8	12.2	
EBIT* Coatings/Chemicals	244	219	11
EBIT* margin, in %	9.4	8.6	
Net income* Coatings/Chemicals	156	135	16
- per share, in EUR	0.58	0.47	23
Net income* Organon BioSciences	145	105	38
Total net income	281	313	(10)

* Before incidentals

Highlights

- 5% autonomous growth
- EBIT up 11%; EBITDA margin further improved to 12.8%
- Net income before incidentals increased 16%
- Chemicals driving performance
- Decorative Coatings – significantly improved results
- Good quarter for Organon and Intervet
- Recommended cash offer for ICI
- Interim dividend increased to EUR 0.40
- Akzo Nobel tops DJSI ranking

Amsterdam, the Netherlands, October 23, 2007 – Akzo Nobel (Euronext Amsterdam: AKZ) has reported a 7% improvement in EBITDA for the third quarter to EUR 333 million on EUR 2.6 billion in revenues reflecting a strong performance across the company, particularly from Chemicals.

Autonomous growth of 5% contributed to revenues totaling EUR 2.6 billion, with net income before incidentals of EUR 156 million, up 16% from last year. Both Coatings and Chemicals realized strong autonomous growth and better operational results. Total net income including incidentals was down 10%, however, to EUR 281 million (2006: EUR 313 million) as the company recorded negative incidentals of EUR 31 million, mainly related to restructuring and impairment charges (2006: positive incidentals of EUR 65 million).

Commenting on the company's performance, CFO Rob Frohn said: "Operational results in the third quarter were well ahead of last year. Chemicals results were particularly good with an all-time high ROI of over 21%, while Coatings continued to improve its EBITDA margin to

12.4%. These excellent results in a transformational year demonstrate the underlying strength of our company.”

Coatings — solid performance, EBITDA margin up to 12.4%

Coatings had a solid third quarter with revenues growth of 3% on last year to EUR 1.7 billion. Autonomous growth was 3%, mainly driven by Marine & Protective Coatings. Acquisitions added 2%, predominantly in Industrial Finishes. The currency impact was negative at 2%.

The turnaround of Decorative Coatings has continued in the quarter with a strong bottom line performance. This improvement in earnings has largely resulted from the ongoing restructuring programs that are being successfully implemented in mature markets. Almost all countries are supporting this upswing. Industrial Finishes successfully completed the acquisition of Chemcraft. The prolonged correction in the North American residential construction industry has led to soft demand in the North American-based and the Asian export driven businesses. Nevertheless, all key financial measures remained sound. Marine & Protective Coatings continued its excellent performance with double-digit revenues growth. Car Refinishes performance was on track.

EBITDA before incidentals amounted to EUR 209 million, up 7%, and the EBITDA margin improved 0.4% to 12.4%. Before incidentals, EBIT grew 8% to EUR 174 million, with an EBIT margin of 10.3%.

Chemicals — strong performance, record ROI of 21.1%

Chemicals reported a strong third quarter with revenues up 5% on the previous year to EUR 911 million. Autonomous growth was 9% (volume growth of 4% and price increases of 5%). The negative currency impact of 2% was primarily attributable to the U.S. dollar. In addition, there was a 2% negative revenues effect from divestments.

Pulp & Paper Chemicals reported autonomous revenues growth of 4%, partially offset by the impact of a weak U.S. dollar. Base Chemicals produced a strong performance with higher selling prices and increased production levels. Functional Chemicals turned in a good performance in most of its businesses. Surfactants benefited from strong market demand in the quarter and plant utilization remained high. Polymer Chemicals' revenues for the quarter were at the same level as in 2006. The impact of raw materials and energy costs are being actively managed across the portfolio.

Before incidentals, EBITDA increased 13% to EUR 152 million and the EBITDA margin was up 1.1% to 16.7%. Functional Chemicals, Base Chemicals and Surfactants were the key drivers for this significantly improved performance. The moving average ROI reached an all-time high of 21.1%.

Discontinued operations — Organon BioSciences

Organon reported continued strong performance of key products. At EUR 615 million, Organon's third quarter revenues were 2% below 2006 due to a negative currency translation effect. Contraceptives realized the strongest revenues growth (up 13%), due primarily to NuvaRing[®] and Cerazette[®], for which volume increases were realized of EUR 15 million and EUR 5 million, respectively. Volume growth in contraception, fertility and royalties was offset by decreased sales of Remeron[®] and Anzemet[®], and the loss of Avinza[®] which also reduced revenues. EBIT before incidentals grew 27% to EUR 117 million (2006: EUR 92 million).

Building on the strong growth performance of previous quarters, Intervet achieved a double-digit revenues increase, leading to record sales and a record EBIT margin of 26.1%.

On March 12, 2007, the company announced its intention to divest Organon BioSciences (OBS) to Schering-Plough, following their binding cash offer of EUR 11 billion. It is expected that the transaction with Schering-Plough will be completed no later than the end of 2007.

Recommended cash offer for ICI

On August 13, 2007, the Board of Management and Supervisory Board of Akzo Nobel N.V. and the Board of Imperial Chemical Industries PLC announced that they had reached agreement on the terms of a recommended cash offer by Akzo Nobel for ICI. Subject to the approval of the shareholders of Akzo Nobel (EGM on November 5, 2007) and ICI (EGM on November 6, 2007), and certain other conditions precedent, completion of the ICI transaction is currently expected to take place on January 2, 2008.

Increased interim dividend

Akzo Nobel recently announced an increase of the minimum pay-out ratio to 45% of net income before incidentals, up from a range of 35-40%. The Board of Management decided to increase the interim dividend for 2007 to EUR 0.40 per common share (2006: EUR 0.30). Starting October 24, 2007, Akzo Nobel shares will trade ex-dividend. The interim dividend will be made payable on October 31, 2007.

DJSI — chemicals industry leader

In September 2007, Akzo Nobel was ranked as the chemicals industry leader on the prestigious Dow Jones Sustainability World Indexes (DJSI), recognizing the company's ongoing commitment to improving its social responsibility performance. Rated on the index for the third successive year, Akzo Nobel again improved its average score in the individual indicators and achieved a best-ever overall mark, thus becoming the global sector leader for the chemicals industry.

Trading conditions in 2007

Akzo Nobel's portfolio is well-positioned for profitable growth. Assuming that no significant changes in the major economies of the world occur, Akzo Nobel believes that it is well placed to deliver on the objectives to outgrow its markets and further improve the financial returns in Coatings and Chemicals compared with 2006.

Calendar

November 5, 2007 – Extraordinary General Meeting of shareholders

March 6, 2008 – Publication of annual results 2007

April 21, 2008 – Publication of first quarter results 2008

April 22, 2008 – Annual General Meeting of shareholders

The Report for the 3rd quarter is attached and can be read on the company's corporate website <http://www.akzonobel.com/com/News/Reports.htm>

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Note to editors

Akzo Nobel is a Fortune Global 500 company and is listed on Euronext Amsterdam. It is also the Chemicals Industry leader on the Dow Jones Sustainability Indexes and Akzo Nobel is included on the 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.

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Not for publication – for more information

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Safe Harbor Statement*

This press release contains 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.

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