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Press release

AkzoNobel
Tomorrow's Answers Today

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AkzoNobel publishes Q1 results

- Revenue up 6 percent to €3.97 billion, mainly driven by pricing actions
- EBITDA 3 percent lower at €423 million (2011: €437 million), as weaker end markets and cost inflation impacted results
- Net income from continuing operations €70 million (2011: €132 million), due to higher incidental charges
- Cash from operating activities was impacted by a one-time pension payment and seasonal build-up of operating working capital
- Adjusted EPS €0.63 (2011: €0.72)
- Performance improvement program on track
- Economic environment and certain raw materials remain principal sensitivities in 2012

Q1 2012 in € million

	Q1 2011	Q1 2012	Δ%
Revenue	3,762	**3,972**	6
EBITDA	437	**423**	(3)
EBITDA margin (in %)	11.6	**10.6**	
Net income continuing operations	132	**70**	

Akzo Nobel N.V. (AkzoNobel) today reported a 6 percent increase in first quarter revenue compared with the same period in 2011, mainly driven by pricing actions to offset higher raw material costs. The EBITDA for Q1 was 3 percent lower at €423 million, due to weaker end markets and cost inflation. The company also announced that its global performance improvement program is on track.

Overall raw material prices remain a challenge. Looking forward, the company expects the higher oil and TiO_2 prices on average to have an inflationary impact.

Cash from operating activities was impacted by a one-time pension payment and the seasonal build-up of operating working capital.

Decorative Paints achieved a revenue increase of 4 percent in the first quarter, primarily driven by margin management in weak markets. Lower volumes impacted EBITDA, particularly in North America which benefited last year from a one-time positive customer load-in. Restructuring and cost reduction actions are underway in Europe and North America to offset weaker demand.

In Performance Coatings, revenue increased 11 percent and EBITDA was up 15 percent compared with the previous year. Industrial Coatings – boosted by acquisition activity – achieved the strongest growth, followed by Marine and Protective Coatings. Although overall activity levels were flat, there was significant variability between individual segments.

Specialty Chemicals revenue was up 4 percent, mainly due to the Boxing Oleochemicals acquisition and a positive price/mix effect. EBITDA was 2 percent lower, reflecting different trading conditions in certain businesses.

CEO Hans Wijers
"We are continuing to focus on performance improvement. Our global margin management efforts are also proving successful as we continue to mitigate the adverse effects of higher raw material costs. However, our volumes were down slightly, reflecting the volatile nature of the economic conditions. Despite these challenges, we have solid fundamentals, renowned brands and a strong geographic spread. Furthermore, the ongoing performance improvement program shows that we are taking the right steps towards achieving our medium-term ambitions."

Business area highlights

Decorative Paints

	Q1 2011	**Q1 2012**	**Δ%**
Revenue	1,196	**1,242**	4
EBITDA	90	**76**	(16)
EBITDA margin (in %)	7.5	**6.1**	

Performance Coatings

	Q1 2011	**Q1 2012**	**Δ%**
Revenue	1,237	**1,369**	11
EBITDA	143	**164**	15
EBITDA margin (in %)	11.6	**12.0**	

Specialty Chemicals

	Q1 2011	**Q1 2012**	**Δ%**
Revenue	1,351	**1,399**	4
EBITDA	241	**235**	(2)
EBITDA margin (in %)	17.8	**16.8**	

The 2012 Q1 report can be downloaded via the AkzoNobel Report iPad app http://bit.ly/obljrf or read online at www.akzonobel.com/quarterlyresults.

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AkzoNobel is the largest global paint and coatings company and a major producer of specialty chemicals. We supply industries and consumers worldwide with innovative products and are passionate about developing sustainable answers for our customers. Our portfolio includes well known brands such as Dulux, Sikkens, International and Eka. Headquartered in Amsterdam, the Netherlands, we are a Global Fortune 500 company and are consistently ranked as one of the leaders in the area of sustainability. With operations in more than 80 countries, our 55,000 people around the world are committed to excellence and delivering Tomorrow's Answers Today™.

Not for publication – for more information

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This press release 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.