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Q1 2006 Results  
**Delivering on growth**

April 20, 2006

- **Operational performance up substantially**
  - Top line growth
    - strong start to the year for all businesses
    - revenues up 12%
  - Operational EBIT up 21%
  - Net income, excluding incidentals up 39%
  
- **Strong financial position**

# Q1 OPERATIONAL PERFORMANCE

<i>EUR mln</i>	Q1-2006	Δ%
Revenues	3,392	12
EBIT*	332	21
Net income*	215	39

<i>Ratios</i>	2006	2005
EBIT margin*, %	9.8	9.0

\* *Excluding incidentals.*



- **Healthy revenues growth in key franchise**
  - NuvaRing® accelerating in US; over 1 million users globally
  - Strong contribution from fertility product Puregon®
  - Anesthesia – ongoing positive trend
  
- **Investing in marketing and pipeline**
  - R&D up 32% for late stage pipeline development

## Organon – growth in key franchises

Autonomous growth, %	on Q-1 2005	on Q-4 2005
Contraceptives	15	6
– of which NuvaRing <sup>®</sup>	66	12
Puregon <sup>®</sup> /Follistim <sup>®</sup>	14	9
Remeron <sup>®</sup>	(8)	3
Anesthesia	15	11
Livial <sup>®</sup>	2	(8)

## Organon – continued strong growth

<i>EUR mln</i>	Q1- 2006	Δ%
Revenues	644	12
EBIT*	85	(4)

<i>Ratios</i>	2006	2005
EBIT margin*, %	13.2	15.5
S&D % revenues	31.9	31.9
R&D % revenues	19.2	16.3

\*Excluding incidentals



# Intervet – range of Nobilis<sup>®</sup> vaccines



## Intervet – record sales, steady profitable growth

- Revenues up 8% to an all-time high
- Double digit growth in Americas and Asia
- Avian influenza slowed down European business
- EBIT margin over 20%

## Intervet – record sales, steady profitable growth

<i>EUR mln</i>	Q1- 2006	Δ%
Revenues	282	8
EBIT*	58	9

<i>Ratios</i>	2006	2005
EBIT margin*, %	20.6	20.2
S&D % revenues	24.1	23.1
R&D % revenues	9.6	10.7

\*Excluding incidentals



# Coatings –Chartek®



## Coatings – excellent volumes, sharply higher EBIT

- Excellent growth across the board, revenues up 16%
- EBIT and EBIT margin up sharply
- Raw material pressure from metals and oil derivatives
- Cost reduction programs in mature markets
- Offer announced for Sico, Canada's largest coatings manufacturer



## Coatings – all business segments improving

- Industrial Activities - excellent performance
- Marine & Protective Coatings - strong earnings growth
- Car Refinishes - turning the corner
- Decorative Europe - challenging business conditions





## Coatings – excellent volumes, sharply higher EBIT

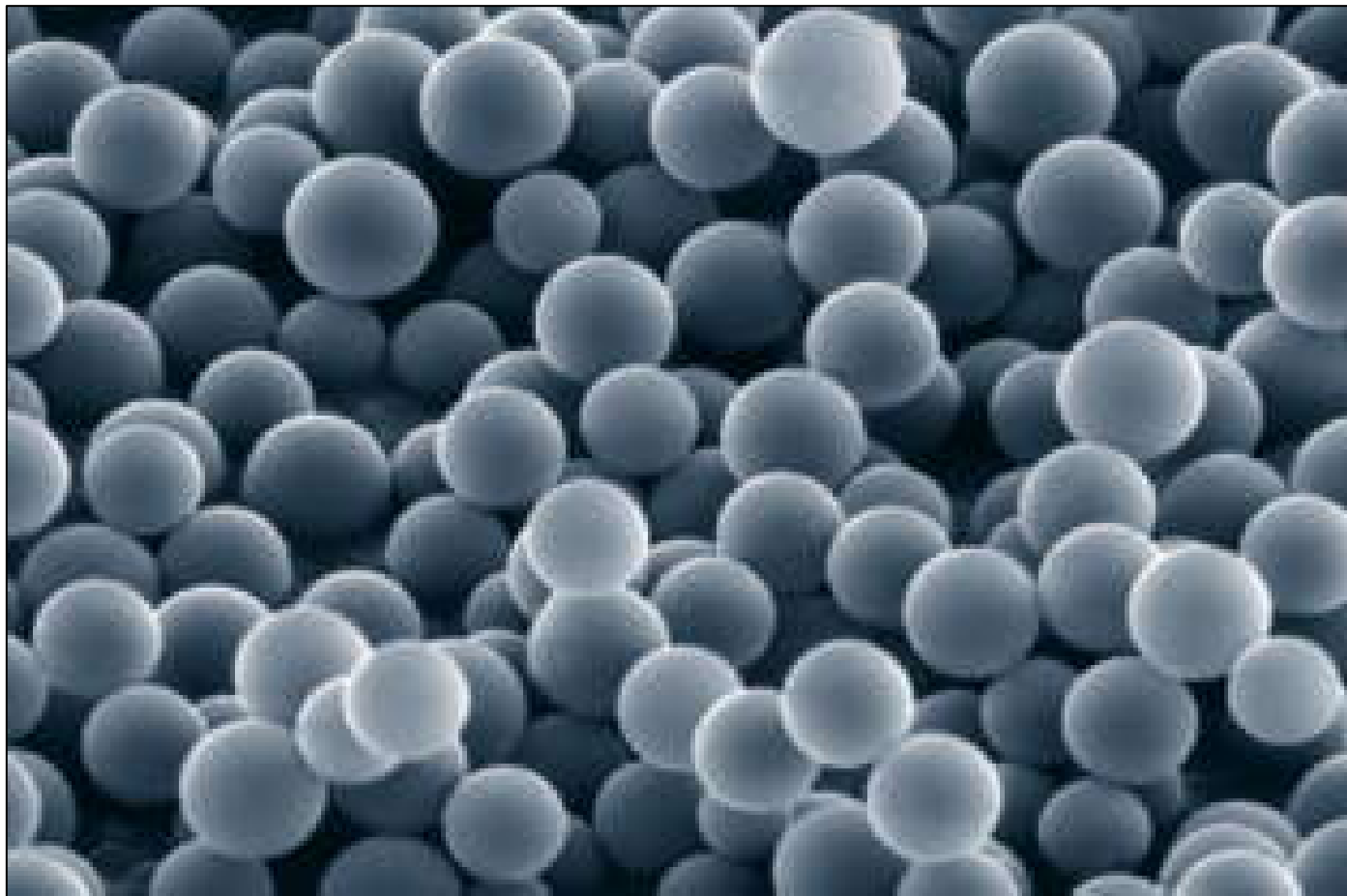
<i>EUR mln</i>	Q1-2006	Δ%
Revenues	1,434	16
EBIT*	104	68

<i>Ratios</i>	2006	2005
EBIT margin*, %	7.3	5.0

\*Excluding incidentals



## Chemicals – Kromasil®





## Chemicals – strong start to the year

- Top line up 8%, growth across the board
- Robust 11% EBIT margin performance
- Increasing pressure from energy price

## Chemicals – strong start to the year

- Focus on 5 growth platforms successful
- Pulp & Paper, Polymer, and Functional Chemicals and Surfactants – double digit revenues growth
- Base Chemicals slightly down from strong Q1 2005

## Chemicals – strong start to the year

<i>EUR mln</i>	Q1-2006	Δ%
Revenues	1,037	8
EBIT*	114	15

<i>Ratio</i>	2006	2005
EBIT margin*, %	11.0	10.3

*\*Excluding incidentals*

# Q1 FINANCIAL PERFORMANCE

## Incidentals gains on balance lower than in Q1 2005

- Gains on Barcelona site disposal and divestments
- Charges for restructuring and impairments
- Additions to antitrust and environmental provisions
- Q1 2005: Termination of Risperdal® co-promotion

## Impact of incidentals on net income

<i>EUR mln</i>	2006	2005	Δ %
Net income excluding incidentals	215	155	39
Special benefits		149	
Gains on disposals/ divestments	128	2	
Charges for restructuring	(42)	(5)	
Charges for anti-trust/ environmental	(43)	(1)	
Tax charge	(9)	(13)	
Net income including incidentals	249	287	(13)

## Strong financial position further improved

<i>March '06 / Dec. '05; EUR bln</i>	<b>2006</b>	<b>2005</b>
Equity	3.8	3.6
Net borrowings	1.5	1.6
Gearing (ratio)	0.39	0.44
<i>YTD ratios</i>	<b>2006</b>	<b>2005</b>
Interest coverage	10.4	13.1
EBITDA coverage	14.3	17.4

- Credit rating re-confirmed by Moody's and S&P in Q1

# 2006 AGENDA



### **Organon**

- Continue to grow key franchises
- Unlock value Organon late stage product pipeline

### **Intervet**

- Continue roadmap improvements

### **Coatings/ Chemicals**

- Accelerate growth across portfolio, including acquisitions
- Focus on costs in mature markets (mainly EU)
- Conclude 2005 Chemicals divestment program

### **Trading conditions 2006**

- Strong start to the year
- Well positioned for further growth in the current environment



# **Delivering on growth Q&A**

April 20, 2006



## Safe harbor statement\*

This presentation 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](http://www.akzonobel.com). The 2005 Annual Report on Form 20-F will be available at the end of the second quarter of 2006.

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