

Press release

March 26, 2014

ICI Pension Fund Trustee agrees GBP 3.6 bn annuity buy-in

AkzoNobel announces today that the Trustee of the ICI Pension Fund in the UK has entered into two annuity buy-in agreements in line with their on-going strategy of de-risking which is supported by AkzoNobel.

The two agreements are with Legal & General plc and Prudential Retirement Income Limited and cover, in aggregate, £3.6 billion (€4.3 billion) of pensioner liabilities, which is broadly equivalent to one quarter of the Company's pension liabilities and one third of the ICI Pension Fund liabilities.

Keith Nichols, Chief Financial Officer of AkzoNobel commented, *'By purchasing these bulk annuities, the Trustee has taken a significant step in actively de-risking liabilities and reducing the risk that AkzoNobel will be required to contribute additional cash in the future.'*

The buy-ins involve the purchase of bulk annuity policies under which the insurers will pay to the ICI Pension Fund amounts equivalent to the benefits payable to a subset of current pensioners. The pension liabilities remain with the Fund, and the matching annuity policies will be held within the Fund, so the benefits of the members are unaffected by this transaction and members will not see any changes in the way their pensions are paid.

The triennial review of the current recovery plan is due to be completed in 2015, taking these bulk annuities into consideration, and a further update of estimated future top-up amounts will be provided then. It is likely that there will be an increase in the top-ups as a result of this transaction, in the order of £125 million (€149 million).

The accounting effects of the transaction on AkzoNobel will be fully assessed after completion. However the estimated impact will be increased financing expenses of £25 million (€30 million) per year from 2015 in the income statement and a reduction in the balance sheet equity of approximately £640 million (€765 million).

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AkzoNobel is a leading global paints 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 consistently ranked as one of the leaders in the area of sustainability. With operations in more than 80 countries, our 50,000 people around the world are committed to delivering leading products and technologies to meet the growing demands of our fast-changing world.

Not for publication – for more information

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Safe Harbor Statement

This press release contains statements which address key issues such 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

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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 our website www.akzonobel.com