

Edgar Filing: AKZO NOBEL NV - Form 6-K/A

AKZO NOBEL NV  
Form 6-K/A  
December 22, 2004

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

-----

FORM 6-K/A

-----

REPORT OF FOREIGN PRIVATE ISSUER

Pursuant to Rule 13a-16 or 15d-16 of  
The Securities Exchange Act of 1934

DECEMBER 22, 2004

-----

AKZO NOBEL N.V.  
(Translation of registrant's name into English)

76, Velperweg, 6824 BM Arnhem, the Netherlands  
(Address of principal executive offices)

0 - 017444  
(Commission file number)

-----

Indicate by check mark whether the registrant files or will file annual reports  
under cover of Form 20-F or Form 40-F:

Form 20-F  Form 40-F

Indicate by check mark whether the registrant by furnishing the information  
contained in this form is also thereby furnishing the information to the  
Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes  No

=====

This amendment Form 6-K/A filing is being made due to a missing cover page and  
signature page, the original filing was timely filed on October 19, 2004

Report for the 3rd quarter of 2004

Key figures

## Edgar Filing: AKZO NOBEL NV - Form 6-K/A

3rd quarter			Millions of euros (EUR)	January-September		
2004	2003*	Ch. %		2004	2003*	Ch. %
213	178	20	Net income excl. nonrec. items	605	543	11
0.75	0.62		- per share, in EUR	2.12	1.90	
521	178	193	Net income	766	497	54
1.82	0.62		- per share, in EUR	2.68	1.74	
			Sales			
801	877	(9)	Pharma	2,430	2,649	(8)
1,381	1,323	4	Coatings	4,009	3,996	-
1,033	1,087	(5)/5***	Chemicals	3,298	3,395	(3)/-***
(30)	(33)		Other	(89)	(100)	
3,185	3,254	(2)	Total	9,648	9,940	(3)
=====	=====			=====	=====	
			Operating income** (EBIT)			
131	120	9	Pharma	403	407	(1)
137	125	10	Coatings	365	332	10
80	76	5/36***	Chemicals	266	252	6/18***
(19)	(17)		Other	(78)	(85)	
329	304	8	Total	956	906	6
=====	=====			=====	=====	
10.3	9.3		Return on sales**, in %	9.9	9.1	
12.2	6.6		Interest coverage	10.1	7.1	
			Gearing	0.46	1.09****	
					0.92****	
			Number of employees	62,990	65,240****	
					64,580****	

Operational performance clearly up; significant net nonrecurring profit

- Pharma - cost savings contributing
- Coatings - clearly up due to growth and acquisitions
- Chemicals - substantially up
- Net nonrecurring profit of EUR 308 million - mainly from divestments
- Further settlement in Remeron (R) court cases
- Divestment program at Chemicals - nearing completion
- Strong financial position
- Interim dividend unchanged - EUR 0.30
- Outlook - net income, excluding nonrecurring items and special benefits, around 2003 level

\* 2003 figures have been adjusted for a minor regrouping of activities between Coatings and Chemicals.

\*\* Excluding nonrecurring items.

\*\*\* Continued operations.

\*\*\*\* At September 30.

\*\*\*\*\* At December 31.

# Edgar Filing: AKZO NOBEL NV - Form 6-K/A

Report for the 3rd quarter of 2004

## CONDENSED CONSOLIDATED STATEMENT OF INCOME

3rd quarter			Millions of euros	January-September		
2004	2003	Ch. %		2004	2003	C
3,185	3,254	(2)	Sales	9,648	9,940	
(2,856)	(2,950)		Operating costs	(8,692)	(9,034)	
329	304	8	Operating income* (EBIT)	956	906	
(27)	(46)		Financing charges	(95)	(128)	
302	258		Operating income* less financing charges	861	778	
(87)	(79)		Taxes	(251)	(236)	
215	179	20	Earnings* of consolidated companies, after taxes	610	542	
7	10		Earnings* from nonconsolidated companies	23	30	
222	189		Earnings* before minority interest	633	572	
(9)	(11)		Minority interest	(28)	(29)	
213	178	20	Net income excluding nonrecurring items	605	543	
308			Nonrecurring items, after taxes and minority interest	161	(46)	
521	178	193	Net income	766	497	
10.3	9.3		Return on sales*, in %	9.9	9.1	
12.2	6.6		Interest coverage	10.1	7.1	
0.75	0.62		Net income excl. nonrecurring items per share, in EUR			
			- basic	2.12	1.90	
0.74	0.62		- diluted	2.11	1.90	
1.82	0.62		Net income per share, in EUR			
			- basic	2.68	1.74	
1.82	0.62		- diluted	2.67	1.74	
475	461	3	EBITDA	1,414	1,392	
138	123		Capital expenditures	379	380	
132	145		Depreciation	419	451	

\*Excluding nonrecurring items.

## Edgar Filing: AKZO NOBEL NV - Form 6-K/A

Operational performance clearly up; significant net nonrecurring profit  
 Net income excluding nonrecurring items in the third quarter rose 20% to EUR 213 million. Net income\* per share was EUR 0.75 (2003: EUR 0.62). All three groups turned in an improved performance. Including a net nonrecurring profit of EUR 308 million, mainly as a result of divestments, third-quarter net income was EUR 521 million (2003: EUR 178 million).

For the first nine months of 2004, net income excluding nonrecurring items amounted to EUR 605 million, up 11% on 2003. Taking into account net nonrecurring profits of EUR 161 million, net income was up 54% to EUR 766 million.

Autonomous sales growth of 2%

Third-quarter sales of EUR 3.2 billion were somewhat below last year. Autonomous growth at Coatings and Chemicals was more than offset by lower Pharma volumes, negative currency translation effects, and divestments. Sales developed as follows:

In %	Total	Volume	Price	Currency translation	Acquisitions/ divestments
Pharma	(9)	(6)	(1)	(2)	-
Coatings	4	3	1	(2)	2
Chemicals	(5)	3	3	(2)	(9)
Akzo Nobel	(2)	1	1	(2)	(2)

Operating income - up 8%

Operating income of EUR 329 million was up 8% on last year. All three groups achieved improved operational performance and benefited from lower pension charges. Currency translation had a decreasing negative effect. Return on sales was 10.3%, against 9.3% in the third quarter of 2003. Earnings developed as follows:

Millions of euros	Operating income* for 3rd quarter of 2004	Change from 3rd quarter of 2003				
		Total	Operational performance	Divestments	Currency translation	Lower p charges
Pharma	131	11	11	-	(3)	
Coatings	137	12	13	-	(4)	
Chemicals	80	4	17	(16)	-	
Other**	(19)	(2)	(5)	-	-	
Akzo Nobel	329	25	36	(16)	(7)	

\* Excluding nonrecurring items.

\*\* "Other" mainly comprises pension costs related to former employees of divested operations and results of the (intermediate) holding companies and the captive insurance companies.

## Edgar Filing: AKZO NOBEL NV - Form 6-K/A

Report for the 3rd quarter of 2004

Currency translation effects were mainly caused by the weaker U.S. dollar and various Asian currencies.

Financing charges decreased substantially as a result of significantly reduced net borrowings due to the proceeds from divestments and lower foreign currency exchange rates. Interest coverage in the third quarter jumped to 12.2 (2003: 6.6).

The effective tax rate decreased from 31% to 29%, reflecting changes in the geographic distribution of the Company's results.

Earnings from nonconsolidated companies decreased from EUR 10 million to EUR 7 million, mainly attributable to Eka Polymer Latex and the divested Catalysts joint ventures.

Workforce - down 1,910 from restructurings

At September 30, 2004, the Company had 62,990 employees, compared with 64,580 at year-end 2003. Restructurings at all three groups caused a reduction of 1,910. Acquisitions and divestments on balance resulted in a decrease of 690. Growth of certain businesses caused a workforce expansion of 1,010. Developments were as follows:

	September 30, 2004	Restructurings	Acquisitions/ divestments	Other changes	December 31, 2003
Pharma	19,680	(1,130)	(60)	190	20,680
Coatings	29,310	(420)	610	780	28,340
Chemicals	12,890	(320)	(1,240)	40	14,410
Other	1,110	(40)			1,150
Akzo Nobel	62,990	(1,910)	(690)	1,010	64,580

### Nonrecurring items

In the third quarter of 2004, the Company registered a net nonrecurring profit of EUR 308 million, which breaks down as follows:

Millions of euros

Gain on divestments	458
Remeron (R) court cases	(58)
Restructuring and impairment charges	(42)
	358
Gross	358
Taxes	(42)
Nonconsolidated companies	(8)
Total	308

## Edgar Filing: AKZO NOBEL NV - Form 6-K/A

Report for the 3rd quarter of 2004

The gain on divestments primarily relates to the sale of Catalysts and Phosphorus Chemicals in July 2004\*

Restructuring and impairment charges pertain to the closure of the chlorine production in Bohus, Sweden, and restructurings at Polymer Chemicals, mainly in Germany.

The charge for the Remeron (R) court cases in the United States mainly concerns the settlements and legal fees to resolve alleged claims brought by state attorneys general and by a class of consumers and third party payers (the "indirect purchaser class"). The latter settlement is still subject to certain conditions. The charge also relates to claims brought by nine large chain store and grocery store pharmacies having opted out of a class of direct purchasers. This class action brought by direct purchasers remains pending in the Federal District Court of New Jersey, for which no provision has been recognized\*\*.

The loss for nonconsolidated companies predominantly relates to antitrust cases of Flexsys.

Divestment program at Chemicals - nearing completion

In September 2003, the Company announced its plan to sell Catalysts, Coating Resins, and Phosphorus Chemicals from its Chemicals portfolio in order to strengthen the balance sheet and to create more financial room to maneuver. In the mean time, Catalysts and Phosphorus Chemicals have been divested. Early in October 2004, the agreement for the sale of the Ultra Violet/Electron Beam (UV/EB) Resins activities, part of the Coating Resins business, was announced. Recently, Nuplex Industries Limited, New Zealand, made an offer of EUR 110 million, for the other (major) part of the Coating Resins business, free of cash and debt. Completion of this transaction is foreseen in the last quarter of 2004. At closing the total divestment program will have generated some EUR 1 billion.

Interim dividend unchanged - EUR 0.30

Akzo Nobel will declare an interim dividend for 2004 of EUR 0.30 per common share, unchanged from last year. Starting October 20, 2004, Akzo Nobel shares will trade ex-dividend. The interim dividend will be made payable on November 1, 2004.

Outlook - net income, excluding nonrecurring items and special benefits, around 2003 level

The Company has turned in a clearly improved performance in the first three quarters of 2004. However, we are facing steeply increasing raw material and energy prices and there are increasing uncertainties due to softening macroeconomic conditions. In addition, we do not expect that Pharma will be able to match its very strong fourth quarter of 2003, also in view of the developments at Diosynth.

Taking all this into account, we now expect that full-year net income, excluding nonrecurring items, will be around the 2003 level. The special benefit in 2003 from the asenapine cooperation of EUR 70 million, after taxes, is excluded in this comparison.

\* It should be noted that no final settlement has been reached yet for these divestments, so that the amounts recognized at this moment are best estimates and could change at a later stage, once the final settlement has

## Edgar Filing: AKZO NOBEL NV - Form 6-K/A

been reached.

\*\* Reference is made to the disclosures on pages 98 and 99 in the Akzo Nobel Annual Report 2003.

5

Report for the 3rd quarter of 2004

Pharma - cost savings contributing

3rd quarter			Millions of euros	January-September		
2004	2003	Ch. %		2004	2003	Ch. %
			Sales			
492	551		Organon	1,501	1,691	
252	258		Intervet	763	754	
85	114		Diosynth	283	345	
(28)	(46)		Intragroup sales/other	(117)	(141)	
801	877	(9)	Total	2,430	2,649	(8)
131	120	9	Operating income* (EBIT)	403	407	(1)
16.4	13.7		Return on sales*, in %	16.6	15.4	
31.0	31.2		S&D expenses as % of sales	31.8	32.0	
15.8	16.1		R&D expenses as % of sales	15.5	16.3	
174	164	6	EBITDA	532	536	(1)
33	35		Capital expenditures	111	145	
			Invested capital	2,484	2,506**	
			Number of employees	19,680	20,680**	

\* Excluding nonrecurring items.

\*\* At December 31.

- Sales down - due to lower volumes at Organon and Diosynth and currencies
- Organon
  - cost saving programs - successful
  - Remeron(R)- major decline due to generic competition in U.S.; still holding up in rest of world
  - HT products - sales under pressure
  - contraceptives - NuvaRing (R) continuous growth
- Diosynth - severely suffering from overcapacity; restructurings progressing well
- Integration of Organon and Diosynth announced

## Edgar Filing: AKZO NOBEL NV - Form 6-K/A

- Intervet - improved performance

6

Report for the 3rd quarter of 2004

Sales in the third quarter decreased 9% to EUR 0.8 billion, due to generic competition in the United States for Remeron (R) weaker key currencies, and lower sales for HT products. The Company is actively pursuing restructuring and cost saving measures, which are now clearly paying off. Including incidental benefits of some EUR 15 million, operating income rose 9% to EUR 131 million. Return on sales was 16.4% (2003: 13.7%). In the first nine months of 2004, the workforce was reduced by 1,130 due to restructuring.

The main products in Organon (Human Healthcare) developed as follows:

Millions of euros	Sales 3rd quarter 2004	Autonomous growth relative to, in %	
		3rd quarter 2003	2nd quarter 2004
Remeron (R) in U.S.	10	(74)	(32)
Remeron (R) in rest of world	77	(2)	(2)
Contraceptives	132	4	-
- of which NuvaRing (R)	23	100	21
Puregon (R)/Follistim (R)	70	(3)	(3)
Livial (R)	39	(20)	(2)

In the United States, the effects of the generic competition for antidepressants Remeron (R) and Remeron (R) SolTab (R) have virtually bottomed out. In the rest of the world, Remeron volumes were somewhat below the third quarter of 2003 and the second quarter of 2004, but on balance still holding up. Sales for contraceptives were up, as NuvaRing (R) (contraceptive ring) continues to grow. The launch of Follistim (R)-AQ (TM) cartridge in the United States is progressing well. Livial (R) sales were impacted by the ongoing discussions about the results of studies on hormone therapies.

Diosynth (active pharmaceutical ingredients) is severely suffering from overcapacity in the industry and lower (captive) demand, with performance around break-even level. The earlier announced restructuring program affecting 350 jobs is nearly completed.

Akzo Nobel intends to integrate Organon and Diosynth into one human healthcare business unit. The new organization will leverage its combined know-how, technologies, people, and facilities to capitalize on market opportunities. The integration will also reduce complexity and thus support the strategy of partnerships in development and marketing and sales. In addition, it will allow the Company to combine biotechnology activities into one platform. A new biotechnology research facility in Cambridge, Massachusetts, United States, will also be created.

Akzo Nobel will invest EUR 60 million in Oss, the Netherlands, to build a state-of-the-art parenteral production facility.

Akzo Nobel's animal healthcare activities Intervet turned in an improved

## Edgar Filing: AKZO NOBEL NV - Form 6-K/A

performance, especially in Europe. Business in Asia remains somewhat under pressure from the impact of avian influenza.

7

Report for the 3rd quarter of 2004

Coatings - clearly up due to growth and acquisitions

3rd quarter			Millions of euros	January-September		
2004	2003*	Ch. %		2004	2003*	Ch. %
			Sales			
538	516		Decorative Coatings	1,510	1,468	
420	379		Industrial activities	1,201	1,114	
225	223		Car Refinishes/Nobilas	678	669	
216	209		Marine & Protective Coatings	662	627	
(18)	(4)		Intragroup sales/other	(42)	(11)	
1,381	1,323	4	Total continued operations	4,009	3,867	4
			Impregnated papers		129	
1,381	1,323	4	Total	4,009	3,996	-
137	125	10	Operating income** (EBIT)	365	332	10
9.9	9.4		Return on sales**, in %	9.1	8.3	
170	159	7	EBITDA	467	442	6
33	25		Capital expenditures	83	73	
			Invested capital	2,193	2,043***	
			Number of employees	29,310	28,340***	

\* 2003 figures have been adjusted for a minor regrouping of activities between Coatings and Chemicals.

\*\* Excluding nonrecurring items.

\*\*\* At December 31.

- Autonomous growth 4% - mainly Asia Pacific and United States
- Steep increase of raw material prices - pressure on margins
- Decorative Coatings - improved performance from cost savings
- Marine & Protective and industrial activities - still going strong
- Car Refinishes - major worldwide restructuring set in motion
- Capital expenditures focused on high-growth markets
- Various bolt-on acquisitions to improve distribution in Europe

8

## Edgar Filing: AKZO NOBEL NV - Form 6-K/A

Report for the 3rd quarter of 2004

In the third quarter, sales grew 4% to EUR 1.4 billion. Autonomous sales growth was 4%, mainly attributable to volume growth. The negative currency impact was 2%, while acquisitions, mainly relating to the German coatings distributor Timpe & Mock, added 2%.

Operating income rose 10% to EUR 137 million. Return on sales was 9.9% (2003: 9.4%). The contributions from cost savings, acquisitions, and lower pension charges more than offset the negative impact of higher raw material prices and weaker currencies. Raw material prices are now steeply increasing.

Marine & Protective Coatings, Industrial Finishes, and Powder Coatings improved further, albeit that they are increasingly affected by higher raw material costs. The performance of Decorative Coatings improved, mainly due to cost savings. Car Refinishes' earnings are under pressure. To address this situation, a major worldwide restructuring program at this business unit, affecting 600 jobs, has been set in motion.

The restructuring programs continue to make good progress, resulting in a workforce reduction of 420 during January-September 2004. In high-growth areas, such as Asia and Eastern Europe, the workforce was expanded by 780.

Capital expenditures of EUR 33 million (115% of depreciation) were up compared to last year's level. Expenditures are especially directed toward participation in the high-growth markets in Asia and Eastern Europe.

Akzo Nobel has signed an agreement to take a 30%-stake in one of the leading German decorative paint distributors, Peters, while this company will take over the Akzo Nobel owned distributors Beissel and Kerstin. As a result, Akzo Nobel will have access to 17 additional outlets in the western part of Germany and improve its position in this strategic market.

Akzo Nobel has agreed to divest part of its liquid coatings activities in the agricultural and construction equipment (ACE) segment to BASF. In a separate deal, Akzo Nobel will acquire BASF Coatings' Wood Construction business (joinery).

9

Report for the 3rd quarter of 2004

Chemicals -substantially up

3rd quarter			Millions of euros	January-September	
2004	2003*	Ch. %		2004	2003*
			Sales		
243	241		Pulp & Paper Chemicals	721	761
213	210		Surface Chemistry	660	665
153	144		Functional Chemicals	463	461
142	134		Base Chemicals	421	411
125	119		Polymer Chemicals	366	371
77	71		Resins	227	217

Edgar Filing: AKZO NOBEL NV - Form 6-K/A

64	58		Salt	199	200
45	41		Energy	131	127
(66)	(65)		Intragroup sales/other	(210)	(225)
996	953	5	Total continued operations	2,978	2,988
37	134		Divested operations	320	407
1,033	1,087	(5)	Total	3,298	3,395
76	56	36	Operating income** continued operations	232	197
4	20		Divested operations	34	55
80	76	5	Total operating income** (EBIT)	266	252
7.6	5.9		Return on sales** continued operations, in %	7.8	6.6
7.7	7.0		Return on sales**, in %	8.1	7.4
148	153	(3)/11***	EBITDA	487	492
69	60		Capital expenditures	181	153
			Invested capital	2,206	2,604****
			Number of employees	12,890	14,410****

\* 2003 figures have been adjusted for a minor regrouping of activities between Coatings and Chemicals.

\*\* Excluding nonrecurring items.

\*\*\* Continued operations.

\*\*\*\* At December 31.

- Continued operations - autonomous growth 8%; operating income up 36%
- All units benefiting from improved business climate
- Cost saving programs paying off
- Increasing raw material and energy prices - increasing pressure on margins
- Divestment program - nearing completion

10

Report for the 3rd quarter of 2004

For the continued operations, third-quarter sales of EUR 1.0 billion were 5% higher than last year. Autonomous growth was 8%; volumes and prices were both up 4% from last year. Currency translation had a negative effect of 3%.

Operating income jumped 36%, from EUR 56 million to EUR 76 million. Return on sales was 7.6% (2003: 5.9%). The contributions from autonomous growth and cost savings as well as lower pension costs more than offset the negative effects of higher raw material and energy prices.

Almost all units turned in improved performances, benefiting from the restructuring and cost saving programs as well as from growth of their activities. This especially goes for Polymer Chemicals, Functional Chemicals, and Base Chemicals.

## Edgar Filing: AKZO NOBEL NV - Form 6-K/A

The restructuring programs are progressing well and resulted in a workforce decrease of 320 in the first nine months of 2004, while divestments resulted in a reduction of 1,240.

Capital expenditures were up to EUR 69 million, equivalent to 110% of depreciation. The increase in expenditures primarily relates to major investment projects in Brazil and the Netherlands.

At the end of July 2004, Catalysts and Phosphorus Chemicals were divested.

Early in October 2004, Akzo Nobel announced that it had signed an agreement to sell its Ultra Violet/Electron Beam (UV/EB) Resins activities, part of the Coating Resins business. The transaction is expected to be closed in the final quarter of 2004.

Recently, Akzo Nobel announced that it had received an offer of EUR 110 million from Nuplex Industries Limited, New Zealand, for the other (major) part of the Coating Resins business, free of cash and debt. Completion of this transaction is foreseen in the last quarter of 2004.

This transaction would complete the major divestment program in Chemicals, which was initiated in 2003 to strengthen the Company's balance sheet and to create more financial room to maneuver. The program will, at closing, have generated some EUR 1 billion.

11

Report for the 3rd quarter of 2004

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Millions of euros

	January-September	
	2004	2003
Total earnings before minority interest	794	535
Depreciation and amortization	458	486
Cash flow	1,252	1,021
Pre-tax gain on divestments	(458)	
Changes in working capital	(36)	(118)
Impairments	39	5
Changes in provisions, deferred tax assets and accrued prepaid pension costs	(24)	(18)
Retained income of nonconsolidated companies	(11)	(22)
Other changes	(5)	-
Net cash provided by operations	757	868
Capital expenditures	(379)	(380)
Acquisitions	(57)	(89)
Proceeds from divestments	870	159
Repayments nonconsolidated companies	84	88
Other changes	(12)	5

Edgar Filing: AKZO NOBEL NV - Form 6-K/A

	-----	-----
Net cash generated by/(used for) investing activities	506	(217)
Dividends paid	(273)	(271)
	-----	-----
Funds balance	990	380
Net cash (used for)/generated by financing activities	(164)	204
Effect of exchange rate changes on cash and cash equivalents	6	(14)
	-----	-----
Change in cash and cash equivalents	832	570
	-----	-----

12

Report for the 3rd quarter of 2004

Funds balance of EUR 1.0 billion - mainly proceeds from divestments  
The funds balance for January-September 2004 was EUR 1.0 billion (2003: EUR 0.4 billion).

Cash flow from operations decreased from EUR 0.9 billion to EUR 0.8 billion in 2004, mainly due to higher payments for restructurings. The seasonal increase of working capital was lower than last year.

Capital expenditures of EUR 379 million (90% of depreciation) were virtually unchanged from last year.

Proceeds from divestments primarily concern the sale of Catalysts and Phosphorus Chemicals.

13

Report for the 3rd quarter of 2004

CONDENSED CONDOLIDATED BALANCE SHEET

Millions of euros	September 30, 2004	December 31, 2003
	-----	-----
Intangible assets*	598	590
Property, plant and equipment	3,663	3,967
Deferred tax assets	423	429
Deferred tax asset for minimum pension liability	364	361
Other financial noncurrent assets	985	1,076
	-----	-----
Inventories	2,100	2,133
Receivables	3,071	2,671
Cash and cash equivalents	1,559	727
	-----	-----
Total	12,763	11,954
	-----	-----

Edgar Filing: AKZO NOBEL NV - Form 6-K/A

Capital and reserves	3,877	3,326
Minimum pension liability	(834)	(824)
-----		
Akzo Nobel N.V. shareholders' equity	3,043	2,502
Minority interest	144	140
-----		
Equity	3,187	2,642
Provisions	2,520	2,581
Provision for minimum pension liability	1,356	1,342
Long-term borrowings	2,737	2,717
Short-term borrowings	282	441
Current liabilities	2,681	2,231
-----		
Total	12,763	11,954
-----		
Gearing	0.46	0.92
Shareholders' equity per share, in EUR	10.65	8.76
Number of shares outstanding, in millions	285.8	285.7

\* Intangible assets include capitalized prior service costs related to the minimum pension liability of EUR 166 million at September 30, 2004, and of EUR 165 million at December 31, 2003.

14

Report for the 3rd quarter of 2004

CHANGES IN EQUITY

Millions of euros	Capital and reserves	Minimum pension liability	Shareholders' equity	Minority interest	Equity
-----	-----	-----	-----	-----	-----
Balance at December 31, 2003	3,326	(824)	2,502	140	2,642
Income	766		766	28	794
Dividend	(257)		(257)	(16)	(273)
Changes in exchange rates	42	(10)	32	2	24
Changes in minority interest in subsidiaries				(10)	(10)
Balance at September 30, 2004	3,877	(834)	3,043	144	2,642
-----	-----	-----	-----	-----	-----

Strong financial position

Invested capital at September 30, 2004, amounted to EUR 7.7 billion, EUR 0.4

## Edgar Filing: AKZO NOBEL NV - Form 6-K/A

billion lower than at December 31, 2003, mainly due to the divestments of Catalysts and Phosphorus Chemicals.

Equity was up EUR 0.5 billion, because January-September income more than offset dividends paid. Net interest-bearing borrowings were down EUR 1.0 billion. Gearing improved strongly to 0.46 (December 31, 2003: 0.92; September 30, 2003: 1.09).

Arnhem, October 19, 2004

The Board of Management

15

Report for the 3rd quarter of 2004

The final results for 2004 will be published on February 4, 2005.

Note

The data in this report are unaudited.

(R) or (TM) indicates trademarks in one or more countries.

The 2003 comparative figures for Coatings and Chemicals have been adjusted for a minor regrouping of activities between these two segments.

Unless indicated otherwise, discussions in this report, such as on earnings developments, exclude nonrecurring items.

Nonrecurring items relate to income and expenses resulting from normal business operations, which, because of their size or nature, are disclosed separately to give a better understanding of the underlying result for the period. These include items such as restructurings and impairment charges, significant gains and losses on the disposal of businesses, and costs related to law suits and antitrust cases, not meeting the requirements for extraordinary items. Operating income before nonrecurring items is one of the key figures management uses to assess the performance of the Company, as these figures better reflect the underlying trends in the results of the activities.

Autonomous sales growth is defined as the change in sales attributable to changed volumes and selling prices. It excludes currency, acquisition, and divestment effects.

Safe Harbor Statement\*

This report 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, including but not limited to the "Outlook", 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 complete discussion of the risk factors affecting our business please refer to 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 website [www.akzonobel.com](http://www.akzonobel.com).

## Edgar Filing: AKZO NOBEL NV - Form 6-K/A

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

### Additional Information

The explanatory sheets used by the CFO during the press conference can be viewed on Akzo Nobel's Internet site at:  
[www.akzonobel.com/news/presentations.asp](http://www.akzonobel.com/news/presentations.asp)

Akzo Nobel N.V.  
Velperweg 76  
P.O. Box 9300  
6800 SB Arnhem  
The Netherlands  
Tel. + 31 26 366 4433  
Fax + 31 26 366 3250  
E-mail [ACC@akzonobel.com](mailto:ACC@akzonobel.com)  
Internet [www.akzonobel.com](http://www.akzonobel.com)

16

### SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934 the registrant has duly caused this report to be signed on its behalf of the undersigned, thereto duly authorized.

Akzo Nobel N.V.

Name	: F.H. Hensel	Name	: J.J.M. Derckx
Title	: Senior Vice President Finance	Title	: Director Corporate Control

Dated : December 22, 2004