

Akzo Nobel completes acquisition of biotech bridgehead in the US

Arnhem, the Netherlands, June 15, 2001 – Akzo Nobel announced today that its Pharma business unit Diosynth has finalized the process of acquiring Covance Biotechnology Services Inc. (CBSI).

As of today, CBSI will become an integral part of the business unit and will perform its activities under the name Diosynth. This new biotech bridgehead in the US develops and manufactures innovative biopharmaceutical ingredients.

Reacting to the completion of the deal, Paul K. Brons, responsible for the Pharma Group on Akzo Nobel's Board of Management, said: "This acquisition completely fits with the strategic objectives of our Group, meaning growth from a very innovative activity in the US and having a high potential for synergy with other business units from a technical and business perspective."

With combined annual sales of more than EUR 500 million and a workforce of 3,000 employees, Diosynth will further expand its position as a major manufacturer of active pharmaceutical ingredients.

Johan Evers, General Manager of Diosynth added: "We are highly encouraged by the number of very positive reactions from the market to our announcement last April that we would acquire CBSI. Clearly our customers appreciate that the new combination will be a strong technology based biopharmaceutical manufacturer. We are currently evaluating how to maximize the potential for synergy between the US and Dutch operations."

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Note for the editor

Diosynth, a business unit of Akzo Nobel, is a market-driven and technology based manufacturer of active pharmaceutical ingredients. The company's expertise is complex organic chemistry, extractions, cell culture, fermentation and chromatographic purification, including HPLC. These technologies are used on an industrial scale to manufacture steroids, synthetic peptides, opiate analogues, carbohydrates, heparin and recombinant proteins, as well as proprietary innovator products. Diosynth's operations are backed by a large development organization, strong commitment to cGMP and strict adherence to HSE legislation. Diosynth is headquartered in the Netherlands, has about 3,000 employees and reached in 2000 a turnover of EUR 380 million (USD 350 million).

Akzo Nobel, based in the Netherlands, serves customers throughout the world with healthcare products, coatings and chemicals. Consolidated sales for 2000 totaled EUR 14 billion (USD 13 billion, GBP 8.5 billion). The Company currently employs 68,800 people in more than 75 countries. Financial results for the second quarter of 2001 will be published on July 25, 2001.

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