

Akzo Nobel Coatings to be the first manufacturer of powder coatings in Vietnam

Arnhem, the Netherlands, June 28, 2001 – Akzo Nobel, together with joint venture partner Chang Cheng Securities, is set to become the first manufacturer of powder coatings in Vietnam. Akzo Nobel Chang Cheng will build a factory in Vietnam's capital Ho Chi Minh City to manufacture the full range of Akzo Nobel's Interpon® powder coatings. The company already operates three powder coatings facilities in China and Taiwan and is market leader in the region.

"This investment in Vietnam is another building block in our strategy to keep growing our powder coatings business geographically," said Rudy van der Meer, Member of the Akzo Nobel Board of Management responsible for Coatings. "This is an important move into what is one of the growing economies in the Asia Pacific region. It follows on from our other recent start-up of a new powder coatings factory in Turkey, which opened earlier this year at a site in Izmir."

"We believe Vietnam will be an important powder coatings market over the coming years", added Bill McPherson, General Manager of the recently created Powder Coatings business unit. "Powder Coatings in general is forecast to continue as one of the fastest growing coatings sectors, as the technology is increasingly seen as the preferred solution in a world which is strongly focused on environmental issues."

"We have been exporting to Vietnam from our other powder coatings factories in the region for a number of years. By the end of last year, our sales had grown to a level where local manufacturing had become economically viable, and we felt we should further boost service levels to our customers by manufacturing locally."

The factory will be built on a site of 10,000 sq metres and will employ 40 people by the end of next year.

Note for the editor

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.

Akzo Nobel is the largest global manufacturer of powder coatings and is world leader in powder technology, with worldwide patents held in key areas of powder product and process technology. One example is the unique "Interpon Extra" programme, which uses patented Particle Management Technology to cut applied-costs and deliver significant quality benefits to powder users across a wide range of end uses world-wide.

Internet: <http://www.akzonobel.com>
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