

# PRESS RELEASE

## CORPORATE PRESS RELATIONS

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### **AD Aerospace Finishes Joint Venture now 100 percent Akzo Nobel owned**

**Arnhem, the Netherlands, January 27, 1999. - Akzo Nobel has acquired from The Dexter Corporation their 40 percent participation in the AD Aerospace Finishes (ADAF) joint venture for an undisclosed sum. From now on, this business will carry out its activities under the name Akzo Nobel Aerospace Coatings.**

Akzo Nobel announced their offer for the entire business of Courtaulds on April 20, 1998. The offer became unconditional on July 7, 1998, with Akzo Nobel having full legal and financial control of Courtaulds.

At the time of the offer announcement, Akzo Nobel informed the Commission of the European Union that there may be an encumbrance in the area of Akzo Nobel's Aerospace Finishes joint venture with The Dexter Corporation (ADAF, formed in July, 1993) and the Aerospace Coatings & Sealants business of Courtaulds under the competition rules of the European Union. After examining the situation the Commission cleared, on June 30, 1998, Akzo Nobel's acquisition of Courtaulds subject to one of two undertakings to be executed by Akzo Nobel in respect of the Aerospace businesses.

The Courtaulds Aerospace Coatings and Sealants business was, at the time of the acquisition, placed under the control of Credit Suisse First Boston (CSFB) and has been operated on a trustee basis by them in order to avoid the possibility of market coordination between the two businesses. The undertakings required by the European Commission were:

- Akzo Nobel would sell its 60 percent share in the ADAF joint venture to the Dexter Corporation, who owned the other 40 percent, and retain the Courtaulds Aerospace Coatings and Sealants business.

Or

- Akzo Nobel would retain its joint venture position in ADAF and sell the Courtaulds Aerospace Coatings and Sealants business.

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The Dexter Corporation decided that they would not buy Akzo Nobel's 60 percent of ADAF. Under the terms of the joint venture agreement, Akzo Nobel was entitled to terminate the agreement and acquire Dexter's 40 percent participation. Akzo Nobel now owns 100 percent of ADAF.

Akzo Nobel is proceeding with its compliance with the undertakings towards the European Commission.

Akzo Nobel, based in the Netherlands, serves customers throughout the world with healthcare products, coatings, chemicals and fibers. The fibers businesses, now known as Acordis, will be demerged in the course of the second half of 1999. The company currently employs some 87,500 people in more than 60 countries. Consolidated sales for 1997 totaled NLG 24.1 billion (USD 12 billion / GBP 7.5 billion / EUR 10.8 billion). Financial results for 1998 will be announced on February 22, 1999.

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**Note for the editor / not for publication**

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