



PRESS RELEASE

CORPORATE MEDIA RELATIONS

Akzo Nobel withdraws from negotiations to acquire Scottish pharmaceutical facility

Arnhem / Oss, the Netherlands, March 27, 2003 – Akzo Nobel’s business Diosynth announced today that it has decided to withdraw from negotiations to acquire GlaxoSmithKline’s active pharmaceuticals manufacturing facility at Montrose, Scotland.

Principal terms for acquisition of the facility at Montrose were agreed in early December 2002 and further negotiations to complete the deal followed. Unfortunately they did not result in final agreement.

“Akzo Nobel and GlaxoSmithKline have negotiated in good faith to complete the deal”, said Fritz Fröhlich, Akzo Nobel’s CFO. “Unfortunately, due to changed economic circumstances in the pharmaceutical sector, Akzo Nobel is not in a position to pursue the negotiations further.”

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Note for the editor

Akzo Nobel, based in the Netherlands, serves customers throughout the world with healthcare products, coatings and chemicals. Consolidated sales for 2002 totaled EUR 14 billion. The Company currently employs approximately 68,000 people in more than 80 countries. Financial results for the first quarter will be published on April 16, 2003.

Diosynth, a business unit of Akzo Nobel, is a science-driven and technology-based manufacturer of complex 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 Good Manufacturing Practice (cGMP) and strict adherence to HSE legislation. Diosynth is headquartered in Oss, the Netherlands, has about 3,100 employees and achieved sales in 2002 of EUR 529 million.

Internet: www.akzonobel.com
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Not for publication – for more information

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Safe Harbor Statement*

This press release 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 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, 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.

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

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