

This is a joint press release by Akzo Nobel and the Dutch Ministry of Housing, Spatial Planning and Environment

Brussels supports end of chlorine transports

Arnhem/The Hague, June 23, 2004 – The European Commission has backed Dutch plans to cease chlorine transport by rail in the Netherlands. The support from the EU means that the government in the Netherlands will subsidize the relocation of chlorine plants. This approval now makes it possible for Akzo Nobel to start its planned construction of plants for chlorine activities in Delfzijl.

The Dutch government and Akzo Nobel agreed upon a plan 18 months ago to cease chlorine transports by rail. The European Commission investigated whether financial support from the Dutch government was permitted. This investigation has now been concluded with a positive result.

Dutch State Secretary of the Ministry of Housing, Spatial Planning and Environment, Pieter Van Geel, said: "We are pleased with the European Commission's position. The plans to cease the chlorine transports can now be given the definitive go-ahead."

Under the plan, which is subject to Supervisory Board approval, Akzo Nobel will invest around EUR 160 million in Delfzijl to fund plant constructions for chlorine activities. The company will receive some EUR 65 million from the Dutch Government for the whole project.

CEO Hans Wijers said: "This is an important step forward. It is a sound business case, securing our long-term position in the important chlorine derivatives market in Western Europe. At the same time it is a proof of our social responsibility."

Added René Scheffers, General Manager of Akzo Nobel Base Chemicals: "We have been working on this project for almost two years. For the employees involved there has been an element of uncertainty as to whether the plan would go ahead. We are pleased we can start construction in Delfzijl and the employees know where they stand."

Because the decision in Brussels took longer than anticipated, the construction in Delfzijl has been delayed six months. Akzo Nobel will do its utmost to reduce the effects of this delay. The expansion of the chlorine factory in Rotterdam will be ready in time. As a result, chlorine transports to Rotterdam-Botlek (three-quarters of total transport) will cease as of January 1, 2006. The agreement permits occasional transports after January 1, 2006.

400 employees are involved in the relocation of the factories from Hengelo to Delfzijl and a social plan has been put in place. In Hengelo, 270 jobs will be lost, while in Delfzijl, 120 new jobs will be created.

Note for the editor

Akzo Nobel, based in the Netherlands, serves customers throughout the world with healthcare products, coatings and chemicals. Consolidated sales for 2003 totaled EUR 13 billion. The Company currently employs approximately 64,300 people in more than 80 countries. The financial results for the second quarter will be published on July 19, 2004.

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Not for publication – for more information

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