

# PRESS RELEASE

## CORPORATE MEDIA RELATIONS

### **Eka Chemicals acquires Korean Paper Chemicals business**

**Arnhem, the Netherlands, July 19, 1999. - Eka Chemicals, Sweden, a business unit of Akzo Nobel, has agreed to acquire the Paper Chemicals business of Dongsung Chemical Ltd, South Korea. The acquisition will include the paper chemicals and resins business, a production unit in Kunsan (South Korea) as well as Dongsung's 70% interest in the gum resin producer Fengkai Dongsung Chemical Co Ltd, China.**

"Korea's paper industry shows a good recovery rate and we see this acquisition as a strong basis for further strategic development of our paper chemicals program in this important market", said Rudy M.J. van der Meer, Akzo Nobel's member of the Board of Management for Chemicals.

The acquired chemicals business, with turnover in 1998 of KRW 18.2 billion (EUR 15.7 million, USD 15.5 million), includes rosin and synthetic sizing products as well as polyacrylamides for paper manufacturing. Another product group is resin based emulsifier products, mainly for the synthetic polymer industry. The business and production unit employs some 40 people.

Eka Chemicals is one of the leading suppliers of sizing chemicals and retention systems to the paper industry world-wide. In the Asian Pacific region Eka Chemicals is present with production units in all major markets i.e. Australia, New Zealand, Indonesia, Thailand, Taiwan and another new plant is under construction in China. Part of the deal is the joint venture Fengkai Dongsung Chemical Co Ltd, with a production facility in Guangdong Province in China. The joint venture manufactures rosin derivatives. The other, 30%-owner of the joint venture is Guangdong Hualin Corporation, Fengkai, China.

Eka Chemicals, Bohus, Sweden, with 2,800 employees in thirty countries is a business unit of Akzo Nobel. Eka Chemicals is a leading supplier of bleaching chemicals, paper chemicals and systems to the pulp and paper industry. They also supply a broad range of specialty chemicals to the adhesives, polymer, pharmaceutical and water treatment industries.

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Note for the editor

Akzo Nobel, based in the Netherlands, serves customers throughout the world with healthcare products, coatings, chemicals and fibers. The fibers business, now known as Acordis, will be demerged. The company currently employs approximately 86,000 people in more than 70 countries. As of 1999 the euro is Akzo Nobel's external reporting currency. Consolidated sales for 1998 totaled EUR 12.5 billion (USD 13.8 billion). Financial results for the second quarter of 1999 will be announced on July 28.

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