

Akzo Nobel opens new manufacturing facilities at Lima (OH) to strengthen its Dissolvine® chelates business in North America

Lima, Ohio, September 12, 2000 - Akzo Nobel Functional Chemicals has strengthened its well-established position in the North American market for chelating agents and micronutrients with the opening of its new chelates manufacturing facility at Lima (OH). With an investment of EUR 55 mln (USD 50 mln) and more than doubled staffing, the Lima site has been developed into a state-of-the-art, world-scale plant with sufficient capacity to meet expected future demand for intermediate and finished chelated products. The investment includes new production plants for aminopolycarboxylate-type chelating agents, such as EDTA, DTPA and HEDTA, which Akzo Nobel markets globally under the Dissolvine® tradename.

Chelating agents lock metal ions to certain molecules, preventing those ions from reacting with other substances. This makes it possible to control processes in which metal ions play a crucial role. Akzo Nobel's Dissolvine® chelating agents are used in a wide range of applications, such as industrial cleaning, bleaching of pulp and textiles, micronutrient supplements in horticulture and viniculture, food and beverage preservation, food fortification, photographic film processing, descaling, metal plating and polymer production. Lima is strategically located in the middle of a major concentration of North American demand for chelates.

The Lima startup is another example of Akzo Nobel's philosophy of producing as close as possible to chosen markets. "Our investment represents a firm commitment to our customers and to reinforcing our major position in the North American chelates market," explained Werner Fuhrmann, Manager for Akzo Nobel's worldwide chelates business. When Akzo Nobel acquired Hampshire Chemicals' chelates business in 1997 the Lima site was a small intermediates plant. Production of Akzo Nobel's chelate products continued at Hampshire's Nashua (NH) and Deer Park (TX) sites under a toll manufacturing arrangement until Akzo Nobel was able to develop its Lima facility. The tolling arrangement was recently discontinued. Under the terms of the tolling agreement, the toll-manufacturer is not permitted to continue to manufacture those chelates products on those two sites. Capacity at Lima amply replaces that production.

Akzo Nobel is a leading global manufacturer of chelating agents and chelated micronutrients, supplying about one-third of worldwide demand. "Our new Lima facility puts us in an excellent position to meet demand and to create new market opportunities in this growing business. Dissolvine® is the most comprehensive product line in the chelates industry," said Dag Strömqvist, Board Member responsible for Chemicals in Akzo Nobel. "This new facility is a strategic addition to our global manufacturing network for this product range," he added.

In addition to the Lima operation, Akzo Nobel manufactures chelates in world-scale facilities at two European sites, one in Kvarntorp (Sweden) and the other in Herkenbosch (the Netherlands).

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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 1999 (excluding Acordis) totaled some EUR 12 billion (USD 13 billion, GBP 8 billion). At the beginning of 2000, the Company employed 68,000 people in 75 countries. Financial results for the third quarter of 2000 will be announced on October 25, 2000.

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