

Akzo Nobel announces non-stick coatings investment in China

Arnhem, the Netherlands, October 31, 2002 – To further strengthen its position in the Chinese coatings market, Akzo Nobel is investing in a new non-stick coatings facility in Southern China. This facility will be built adjacent to the existing Akzo Nobel wood coatings plant in Dongguan City which opened last year. It will produce non-stick coatings, primarily for the rapidly growing cookware industry in China, but also for specialized industrial applications.

“Akzo Nobel Coatings is committed to growing its global position in non-stick coatings and for this segment China is a key market,” said Rudy van der Meer, Member of Akzo Nobel's Board of Management responsible for Coatings. “One of our strategic goals is to expand in growth areas. This move will put us in an even better position to serve the fast-expanding Chinese market and to be closer to our customers, many of whom have outsourced production there in recent years.”

In China, Akzo Nobel Coatings already has six production sites, housing all the core businesses. One major operation is a 50-50 joint venture; all other operations are majority or wholly owned and are located in Beijing, Shanghai, Suzhou, Shenzhen, Ningbo and Dongguan City. Akzo Nobel Coatings has over 1,100 employees in China and has seen its sales triple to EUR 200 million in the last few years, stemming from organic growth and selective acquisitions.

In total, Akzo Nobel currently has 18 operations in China representing its three areas of business – Pharma, Coatings and Chemicals – which employ 1,700 people. The Company had total sales in China in 2001 of EUR 300 million.

The Dongguan City plant, which is a 100% Akzo Nobel facility, is situated in Southern China between Guangzhou and Shenzhen. The new facility will start production in April 2003 and will employ 50 people.

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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 2001 totaled EUR 14 billion. The Company currently employs over 67,000 people in more than 80 countries. Financial results for the full year 2002 will be published on February 11, 2003.

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