

# PRESS RELEASE

CORPORATE MEDIA RELATIONS

# Akzo Nobel expands chemicals activities in China

Arnhem, The Netherlands, October 13, 2005 – Akzo Nobel is ramping up its Chemicals activities in China by investing approximately EUR 15 million in two new production facilities. In addition to building a new polysulfides plant in Taixing, the company will construct a new paper chemicals site in Guangzhou, two projects which emphasize the business' ambitious growth plans for the region.

"Akzo Nobel has clearly stated its strategy of supporting growth in five Chemicals platforms with good prospects for profitable leadership," explained Leif Darner, the company's Board Member responsible for Chemicals. "These two investments will consolidate and expand our well established activities in China and are a clear indication of our commitment to creating strong competitive positions in selected markets."

Akzo Nobel already commands a strong position in the global polysulfides market and the new plant—which will be built at the company's existing Functional Chemicals site in Taixing—will have an annual production capacity of 10,000 tons.

It is scheduled to become operational by early 2007, by which time the company's polysulfides plant in Germany will already have reached maximum capacity. Polysulfides are the key ingredient in sealants used in the aerospace and glass insulation industries.

Over in Guangzhou, the new Pulp and Paper Chemicals facility—operated by the company's Eka Chemicals business—will be built close to two major customers and will produce sizing agents.

Production of paper and board is expected to double in China by 2010 and once construction of the factory is complete—expected to be around the fourth quarter of next year—Eka will become the first paper chemicals company operating in China to establish a facility to produce sizing agents in the strategically important paperboard manufacturing area of Guangdong.

Added Darner: "These investments will not only help us to develop the necessary critical mass required to further support our leading status in the industry, but will also accelerate our continued expansion in China by helping us to directly serve the fast-growing Chinese market."

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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 revenues for 2004 totaled EUR 12.7 billion. The Company currently employs some 62,000 people in more than 80 countries. The financial results for the third quarter will be published on October 19, 2005.

Internet: www.akzonobel.com

## Not for publication - for more information

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### Safe Harbor Statement\*

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<sup>\*</sup> Pursuant to the U.S. Private Securities Litigation Reform Act 1995.