

Akzo Nobel forms alliance with Feixiang Chemicals

Arnhem, the Netherlands, August 8, 2006 – Akzo Nobel has taken a significant step towards further strengthening its presence in the Asian chemicals market following an announcement that the company's Surfactants business has formed a strategic alliance with Feixiang Chemicals (Zhangjiagang) Company, Ltd, China's leading specialty surfactants supplier.

Based in Jiangsu Province, Feixiang Chemicals manufactures various chemical products, including a full range of fatty amine and surfactant products with a total capacity of around 80,000 tons per year. The new 50/50 joint venture—which is subject to approval by the Chinese authorities—expects to generate substantial additional sales in mainland China. Akzo Nobel will be the exclusive distributor for most of Feixiang Chemicals' specialty surfactants outside of China.

"This alliance is fully consistent with our Asian growth strategy and will pave the way for increased penetration into the rapidly growing Chinese market," said Leif Darnier, the Akzo Nobel Board member responsible for Chemicals. "We have a solid foothold in the region. Asia—and China in particular—are key investment targets for our ongoing activities. We will continue to identify opportunities to strengthen our worldwide positions in our defined core market segments."

Frank Sherman, General Manager of Akzo Nobel's Surfactants business, added: "Feixiang Chemicals is the market leader for cationic specialty surfactants in China while Akzo Nobel is the global leader for these products. This alliance will considerably boost our position in China while also making a significant step in expanding our presence throughout Asia."

Jack Shi, President of Feixiang Chemicals commented, "The Akzo Nobel Surfactants business is an excellent fit with our activities and will be integrated to take advantage of the strengths of both companies. Feixiang has a strong position in the Chinese market. The technology from Akzo Nobel will strengthen our operations and help us expand our product line."

Headquartered in Chicago, IL, USA, Akzo Nobel's Surfactants business employs 1,100 people and operates regional headquarters in Sweden and Singapore, with total sales for 2005 amounting to USD 636 million. A leading producer of specialty surfactants, the business supplies a wide range of industries, including the agro, petroleum, cleaning, personal care, asphalt and mining sectors.

Note for the editor

Akzo Nobel is a Global Fortune 500 company and is listed on both the Euronext Amsterdam and NASDAQ stock exchanges. It is also included on the Dow Jones Sustainability Indexes and FTSE4Good Index. Based in the Netherlands, we are a multicultural organization serving customers throughout the world with human and animal healthcare products, coatings, and chemicals. We employ around 62,440 people and conduct our activities in four segments – human and animal health, coatings and chemicals – subdivided into 13 business units, with operating subsidiaries in more than 80 countries. Consolidated revenues for 2005 totaled EUR 13.0 billion. The financial results for the third quarter will be published on October 18, 2006.

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* Pursuant to the U.S. Private Securities Litigation Reform Act 1995.