



Press release

April 29, 2011

AkzoNobel announces intention to restructure and split ICI Pakistan

- AkzoNobel to seek agreement to split ICI Pakistan into two listed entities: AkzoNobel Pakistan Limited (comprising the Paints business) and ICI Pakistan Limited (comprising all other businesses of ICI Pakistan)
- Under the proposal, both companies will, following the split, be listed on the Karachi, Lahore and Islamabad Stock Exchanges
- AkzoNobel would retain a 75.8 percent shareholding in AkzoNobel Pakistan Limited and would seek appropriate buyers for its shareholding in ICI Pakistan
- The company confirms its commitment to Pakistan and sees a strong future in paints

Akzo Nobel N.V. ("AkzoNobel") has today announced its intention to seek agreement from the Board and shareholders of ICI Pakistan Limited ("ICI Pakistan") to separate the organization's paints and chemicals businesses.

Under the terms of the proposal, AkzoNobel would retain direct majority control of the paints business by separating it into a new legal entity (AkzoNobel Pakistan Limited) through a de-merger process approved by the Pakistani courts. Subsequently, AkzoNobel would dispose of its entire shareholding in the remainder of ICI Pakistan.

The entire ICI Pakistan business has been a subsidiary of AkzoNobel since 2008, when the company acquired Imperial Chemical Industries PLC. It is listed on the Karachi, Lahore and Islamabad Stock Exchanges, with AkzoNobel currently holding 75.8 percent of the total shares. Focusing primarily on the Pakistan market, ICI Pakistan's main businesses are polyester fiber, soda ash, life sciences, chemicals and decorative paints. In 2010, ICI Pakistan's revenue amounted to €305 million.

During the last few months, AkzoNobel has been conducting a strategic review of the businesses and it became evident that ICI Pakistan's paints business would be of clear commercial benefit for the company. Although the remainder of the ICI Pakistan portfolio is made up of strong and promising businesses, they do not offer sufficient opportunity to create value within AkzoNobel's transformed portfolio and future strategic ambitions.

AkzoNobel believes that in order to provide the best growth opportunities for the activities carried out by ICI Pakistan (apart from paints), it would be most beneficial for all concerned if the company was transferred to a new owner who could commit to investing and help to realize its full potential. Accordingly, AkzoNobel's intention would be to seek a new owner for its shareholding in ICI Pakistan through a formal sale process once the paints business is separated.

The procedure for achieving this strategic change would involve a two-stage process. Initially, two companies would be created through a de-merger process approved by the shareholders of ICI Pakistan and sanctioned by the Pakistani courts. Both would be listed and AkzoNobel would own 75.8 percent of each. The business, assets and liabilities of the paint business would be called AkzoNobel Pakistan Limited. ICI Pakistan would comprise all of the remaining businesses, assets and liabilities.

Once the de-merger is completed, AkzoNobel would undertake the formal process of identifying an appropriate buyer for its shareholding in ICI Pakistan.

AkzoNobel recognizes Pakistan as an important market and is committed to developing its ongoing coatings and paints business together with any other opportunities for its core activities in Pakistan.

Further announcements will be made in due course.

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AkzoNobel is the largest global paints and coatings company and a major producer of specialty chemicals. We supply industries and consumers worldwide with innovative products and are passionate about developing sustainable answers for our customers. Our portfolio includes well known brands such as Dulux, Sikkens, International and Eka. Headquartered in Amsterdam, the Netherlands, we are a Global Fortune 500 company and are consistently ranked as one of the leaders in the area of sustainability. With operations in more than 80 countries, our 55,000 people around the world are committed to excellence and delivering Tomorrow's Answers Today™.

Not for publication – for more information

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Safe Harbor Statement

This press release contains statements which address such key issues as AkzoNobel's growth strategy, future financial results, market positions, product development, products in the pipeline, and product approvals. Such statements should be carefully considered, and it should be understood that many factors could cause forecasted and actual results to differ from these statements. These factors include, but are not limited to, price fluctuations, currency fluctuations, developments in raw material and personnel costs, pensions, physical and environmental risks, legal issues, and legislative, fiscal, and other regulatory measures. Stated competitive positions are based on management estimates supported by information provided by specialized external agencies. For a more comprehensive discussion of the risk factors affecting our business please see our latest Annual Report, a copy of which can be found on the company's corporate website www.akzonobel.com.