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PRESS RELEASE: Akzo Nobel Increases Synergy Target

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Amsterdam, the Netherlands, April 22, 2008 - Akzo Nobel has upgraded the estimated annual synergies target resulting from its recent acquisition of ICI to EUR 340 million, a 20 percent increase on the previously announced EUR 280 million.

Speaking at this afternoon's Annual General Meeting of Shareholders (AGM), CEO Hans Wijers explained that the integration is making good progress and the company is benefiting from the complimentary cultures of both businesses.

"The ICI integration process is well underway," he said. "After reviewing the available synergies from the transaction and former cost reduction programs of both companies, we now expect to realize estimated annual pre-tax cost synergies of EUR 340 million per annum. This breaks down as EUR 180 million from Decorative Paints, EUR 85 million from corporate savings and EUR 75 million from procurement costs." Akzo Nobel expects to realize 85 percent of the synergies in the first three years. This is a cumulative total, represented as follows: 2008, 15 percent; 2009, 55 percent; 2010, 85 percent.

Also on track and reconfirmed are the transaction's other - non-cost savings related - synergies, representing an estimated post-tax net present value of EUR 375 million, of which 75 percent is cash related. The company has already identified a reduction in working capital of EUR 100 million, consolidation of manufacturing sites of EUR 100 million and opportunity costs of building a position in Asia of EUR 100 million.

The restructuring costs are not expected to exceed EUR 300 million. The breakdown of these costs is: 2008, 35 percent; 2009, 45 percent; and most of the remaining 20 percent in 2010. The majority of the 2008 restructuring costs will be reported in the first quarter.

"Our transformation into a focused coatings and chemicals company is progressing well," continued Wijers. "Although trading conditions are challenging at the moment, with a strong currency impact, there is an ongoing trend of underlying growth in most of our businesses - in local currencies - especially in the emerging markets.

The economic slowdown continues to be more evident in our retail businesses in the US and Europe and, as indicated in 2007, within Performance Coatings in our Industrial Coatings business. Marine & Protective continue to perform strongly. Specialty Chemicals also continues to perform well, with steady demand and continuing high asset utilization, despite increased energy costs at Base Chemicals. Overall, we remain confident that we will deliver on our promise of outgrowing our markets and further improving the bottom line. Our first quarter results will be announced on May 7."

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During this afternoon's AGM, Hans Wijers also updated shareholders on the outcome of a recent global brand assessment, which has been used to review Akzo Nobel's corporate name and visual identity.

"Following an extensive study conducted by The Reputation Institute, we have decided to continue using the Akzo Nobel name for the newly enlarged company," he revealed. "Our research findings confirmed that the Akzo Nobel name is well respected and trusted among our key stakeholders and commands significant brand equity. Its use, combined with our products, adds a high degree of value. Therefore, while all strong product brand names such as Dulux®; and Glidden®; will remain, ICI will be discontinued as a corporate name."

Further details regarding changes to visual aspects of Akzo Nobel's corporate brand and information relating to brand architecture will be announced during the next few days.

For 2008 the focus will remain on making significant progress on the integration with ICI, capturing the first round of synergies, outgrowing its markets and improving the EBITDA margin to the upper half of the new peer group.

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Note to editors

Akzo Nobel is one of the world's leading industrial companies. We are the largest global coatings manufacturer and the number one in decorative paints and performance coatings, as well as being a major worldwide supplier of specialty chemicals.

We employ around 60,000 people in more than 80 countries and are committed to developing innovative products and cutting-edge sustainable technologies. We endeavor to deliver whatever our customers require, wherever and whenever they need it. Based in the Netherlands, Akzo Nobel is a Fortune Global 500 company and is listed on the Euronext Amsterdam stock exchange. We are the Chemicals industry leader on the Dow Jones Sustainability Indexes, as well as being included on the FTSE4Good Index. Pro forma combined revenue for 2007 totaled EUR 14.4 billion. The financial results for the first quarter will be published on May 7, 2008.

Internet: www.akzonobel.com

Not for publication - for more information

Akzo Nobel nv

Corporate Media Relations, tel. +31 20 502 7833

Corporate Investor Relations, tel. +31 20 502 7854

Contact: Tim van der

Zanden

Luijckx

Contact: Dick

<http://www.akzonobel.com>

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