

Media release

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AkzoNobel announces new management structure and measures to ensure delivery of 2020 financial guidance

Akzo Nobel N.V. (AKZA.AS; AKZOY)

AkzoNobel today announces a new management structure for its Paints and Coatings business in advance of creating two focused high-performing businesses; Paints and Coatings and Specialty Chemicals.

This announcement follows the recently communicated changes to the Executive Committee, including the appointment of Ruud Joosten as Chief Operating Officer and David Allen as Chief Supply Chain Officer.

The new, fully integrated, management structure will increase customer focus, drive further operational excellence, and build greater momentum and speed across the business. It will be based on four regional Paints business units and four integrated Coatings business units with full profit and loss responsibility. The businesses will be served by a world-class integrated supply chain organization enabling accelerated efficiencies.

In addition, the company is implementing a range of measures to mitigate current market challenges. These challenges include unfavorable foreign exchange rates, continued headwinds for the Marine and Protective Coatings industry, temporary disruption to the manufacturing and supply chain during the third quarter and current margin pressure from greater than expected raw material cost inflation.

The new management structure and additional measures are being implemented to ensure ongoing delivery of the AkzoNobel 2020 financial guidance, as announced in April 2017 (15% Return on Sales and >25% Return on Investment for Paints and Coatings).

Steps already taken, including increased selling prices and additional cost control measures, are expected to enable AkzoNobel to deliver EBIT for 2017 higher than 2016 although by less than the previously communicated increase of €100 million.

The separation of Specialty Chemicals remains on track for April 2018.

Thierry Vanlancker, CEO AkzoNobel said:

“Current challenges in the paints and coatings markets are having a wider and greater impact as the year continues and we are dealing with these head-on. Our new management structure will increase customer focus, drive further operational excellence, and build greater momentum and speed.

AkzoNobel is delivering growth and the organization changes we are making will pave the way for the creation of two focused businesses. These changes will help us deliver a stronger 2017 than 2016, despite dealing with current market challenges, and help to ensure we achieve our 2020 financial guidance.”

This is a public announcement by AkzoNobel N.V. pursuant to section 17 paragraph 1 of the European Market Abuse Regulation (596/2014).

About AkzoNobel

AkzoNobel creates everyday essentials to make people's lives more liveable and inspiring. As a leading global paints and coatings company and a major producer of specialty chemicals, we supply essential ingredients, essential protection and essential color to industries and consumers worldwide. Backed by a pioneering heritage, our innovative products and sustainable technologies are designed to meet the growing demands of our fast-changing planet, while making life easier. Headquartered in Amsterdam, the Netherlands, we have approximately 46,000 people in around 80 countries, while our portfolio includes well-known brands such as Dulux, Sikkens, International, Interpon and Eka. Consistently ranked as a leader in sustainability, we are dedicated to energizing cities and communities while creating a protected, colorful world where life is improved by what we do.

Not for publication – for more information

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