

The Payne Firm, Inc. was the Environmental Consultant assisting The Flood Company in this deal. Below is the press release issued by Akzo Nobel.

Akzo Nobel Strengthens Position in the U.S. Woodcare Market

Arnhem, the Netherlands, August 1, 2006 — With the acquisition of The Flood Company—the biggest independent woodcare business in the United States — Akzo Nobel has taken a significant step to strengthen its position in the North American wood coatings market.

Established in Ohio in 1847, The Flood Company specializes in high quality exterior wood finishes. The deal will substantially increase Akzo Nobel's existing share of the U.S. woodcare market. Flood's annual sales turnover is about USD 55 million.

"Following on from the acquisition of Sico, Canada's leading decorative coatings company, this transaction allows Akzo Nobel to exploit another attractive segment of the North American coatings market," explained Hans Wijers, Akzo Nobel CEO and member of the Board of Management responsible for Coatings. "We are already firmly established in wood coatings in North America through our renowned Sikkens brand. Acquiring Flood and its successful portfolio of products will now enable us to create a focused retailer, dealer, professional contractor and consumer woodcare business and reinforce our current market position in the U.S., making us one of the leading players in this sector."

Flood's exterior product line accounts for around 90 percent of its sales, with the company's pioneering Penetrol® technology—a paint additive with unique penetrating properties—is an important component in many of its exterior wood finishes and paint additives. Flood also produces a range of products for the restoration of vinyl siding and shutters marketed under the Restora® brand.

Added Anthony Ciepiel, Flood's President and COO: "The Flood Company will now benefit from the scale and the power of a multi-billion dollar global brand in the diversified businesses of coatings and chemicals. This position coupled with the financial resources of the world's largest coatings company will allow the Flood brand to take on a leadership position in the premium exterior woodcare and specialty coatings industry."

A family-owned paint contractor business established more than 160 years ago, Flood's manufacturing facilities are located in Hudson, Ohio, a southeastern suburb of Cleveland. Its products are actively marketed throughout Europe, North America, Latin America, the Middle East and Australia.

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