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**AkzoNobel**  
**Akzo Nobel N.V.**

*(A publicly listed company incorporated under the laws of Netherlands)*

**Salvador AG**

*(A joint stock company incorporated under the laws of Germany and a wholly-owned subsidiary of Akzo Nobel N.V.)*



**Schramm Holding AG**

*(A joint stock company incorporated under the laws of Germany)*

**(Stock Code: 955)**

## **JOINT ANNOUNCEMENT**

# **VOLUNTARY CONDITIONAL CASH OFFER BY DEUTSCHE BANK AG, HONG KONG BRANCH ON BEHALF OF SALVADOR AG TO ACQUIRE ALL THE ISSUED SHARES OF SCHRAMM HOLDING AG**

## **SATISFACTION AND WAIVER OF THE PRE-CONDITIONS, UPDATE OF THE CONDITIONS AND DESPATCH OF COMPOSITE DOCUMENT**

*Financial adviser to the Offeror*

**Deutsche Bank AG, Hong Kong Branch**

Akzo Nobel N.V., Salvador AG and the Company are pleased to announce that all the Pre-Conditions to the making of the Offer were satisfied or waived on 9 September 2011. As such, Deutsche Bank will, on behalf of the Offeror, make a voluntary conditional cash offer to acquire all of the issued Shares. The Composite Document is expected to be despatched to the Shareholders on or before 16 September 2011.

References are made to (i) the announcement (“**First Announcement**”) dated 30 June 2011 in relation to the possible voluntary conditional cash offer for all the issued shares of Schramm Holding AG (the “**Company**”); and (ii) the announcement dated 20 July 2011 in relation to the delay in despatch of composite document (together with the First Announcement referred to as the “**Announcements**”), both jointly issued by Akzo Nobel N.V., Salvador AG and the Company. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

## SATISFACTION AND WAIVER OF THE PRE-CONDITIONS

Akzo Nobel N.V., Salvador AG and the Company are pleased to announce that, save for Pre-Condition (ii) set out in the paragraph headed “Pre-Conditions to the Offer” in the First Announcement, namely the requirement to obtain all relevant merger control clearance in the relevant jurisdictions necessary for the implementation of the Offer, all other Pre-Conditions to the making of the Offer were satisfied on 31 August 2011. Merger control clearances are required to be obtained from four jurisdictions for the implementation of the Offer, namely Germany, Slovakia, Austria and Brazil. As at the date of this announcement, merger control clearances in Germany, Brazil and Austria have successfully been obtained. The Offeror believes that the merger control clearance in Slovakia should be obtained in due course and has agreed to waive this part of the Pre-Condition and proceed with making the Offer on the basis that the requirement to obtain merger control clearance in Slovakia is regarded as covered in Conditions (iii), (viii) and (ix) set out in the paragraph headed “Conditions of the Offer” in the First Announcement. As such, Deutsche Bank will, on behalf of the Offeror, make a voluntary conditional cash offer to acquire all of the issued Shares. **The Offer will only become unconditional if merger control clearance in Slovakia has been obtained and the remaining conditions have been satisfied or waived (as the case may be).** As mentioned below, the Composite Document is expected to be despatched to the Shareholders on or before 16 September 2011.

## UPDATE ON CONDITIONS TO THE OFFER

For Condition (i) set out in the paragraph headed “Conditions of the Offer” in the First Announcement, as the applicable threshold for certain compulsory acquisitions in Germany has been lowered from 95% to 90% on 15 July 2011, the acceptance level set out in this Condition has been reduced from 95% (as disclosed in the First Announcement) to 90% accordingly. If the acceptance level will be above 90% but below 95%, the Offeror and the Company will, prior to closing, enter into an implementation merger agreement as required under German laws to give effect to the squeeze-out procedures.

For Condition (v) set out in the paragraph headed “Conditions of the Offer” in the First Announcement, the transactions contemplated by the Korean Agreement have been approved by the shareholders of SSCP as required by applicable Korean laws and regulations on 17 August 2011, and therefore this Condition has been satisfied on the same date.

For Condition (vi) set out in the paragraph headed “Conditions of the Offer” in the First Announcement, SSCP has confirmed to the Offeror that the acceptance of the Offer by SSCP pursuant to the Irrevocable Undertaking does not require the approval by the shareholders of SSCP under the applicable Korean laws and regulations. As a result, this Condition is no longer applicable.

## IRREVOCABLE UNDERTAKINGS

As disclosed in the Announcements, pursuant to the terms of the Irrevocable Undertaking, the Controlling Shareholders have respectively undertaken in favour of the Offeror to accept or procure the acceptance of the Offer (and shall not withdraw from any such acceptance) within 5 business days following the despatch of the Composite Document in respect of an aggregate of 14,037,000 Shares beneficially owned by them, representing approximately 70.52% of the issued share capital of the Company as at the date of this announcement.

## **OFFER PRICE**

The consideration in respect of the Offer is as follows:-

For every Share . . . . . HK\$78.70 in cash

The Offer Price of HK\$78.70 per Share represents:

- a premium of approximately 163.21% over the closing price of HK\$29.90 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a premium of approximately 169.43% over the average of the closing prices as quoted on the Stock Exchange for the 5 trading days up to and including the Last Trading Day of HK\$29.21 per Share;
- a premium of approximately 169.57% over the average of the closing prices as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day of HK\$29.20 per Share; and
- a premium of approximately 174.52% over the average of the closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day of HK\$28.67 per Share.

## **CONDITIONS TO THE OFFER**

Therefore, the Offer will be conditional on the satisfaction of the following Conditions (which are numbered in accordance with Condition numbers set out in the paragraph headed “Conditions of the Offer” in the First Announcement):

- (i) valid acceptances of the Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the rules of the Takeovers Code, decide) in respect of such number of Shares which would result in the Offeror holding at least 90% of the voting rights in the Company and 90% of the disinterested shares as referred to under Rule 2.11 of the Takeovers Code;
- (ii) the Ancillary Transactions and the KC Transaction having been approved by the Remaining Shareholders and the Executive’s consent under Rule 25 of the Takeovers Code in relation to the Ancillary Transactions and the KC Transaction having been obtained;
- (iii) no Relevant Authorities in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry, or enacted or made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order that would make the Ancillary Transactions or the KC Transaction void, unenforceable or illegal or prohibit the implementation of, or which would impose any material conditions or obligations with respect to the Ancillary Transactions or the KC Transaction;
- (iv) the Shares remaining listed and traded on the Stock Exchange up to the Closing Date save for any suspension(s) of trading of the Shares of less than 14 days as a result of the Offer and no indication being received on or before the Closing Date from the SFC and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn;

- (vii) (a) all Consents as are necessary for the Offer and in connection with, including, without limitation, any change in the direct or indirect shareholder(s) or ultimate controlling shareholder(s) of any member of the Group, the concession rights or licences to carry out its operations having been obtained and remaining in full force and effect without variation from all Relevant Authorities and all conditions (if any) to such Consents having been fulfilled; (b) each member of the Group possessing or having obtained all licences and permits from the Relevant Authorities that are necessary to carry on its business; and (c) all mandatory consents from third parties in relation to the Offer required pursuant to any agreement to which any member of the Group is a party (where any failure to obtain a consent would have a material adverse effect on the by the relevant party(ies));
- (viii) no event having occurred which would make the Offer void, unenforceable, illegal or prohibit the implementation of the Offer;
- (ix) no Relevant Authorities in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry, or enacted or made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order that would make the Offer void, unenforceable or illegal or prohibit the implementation of, or which would impose any material conditions or obligations with respect to the Offer (other than such orders or decisions as would not have a material adverse effect on the legal ability of the Offeror to proceed with or consummate the Offer); and
- (x) since the date of the last audited consolidated financial statements of the Company but save as publicly disclosed by the Company prior to the date of this Announcement, there having been no change, effect, fact, event or circumstance which has had or would reasonably be expected to have a material adverse effect on, or to cause a material adverse change in, the general operations, management, financial position, business, prospects, conditions (whether financial, operational, legal or otherwise), earnings, solvency, shareholders' equity or results of operations of the Group taken as a whole, whether or not arising in the ordinary course of business.

**Shareholders and/or potential investors of the Company should note that completion of the Offer is subject to the Conditions being fulfilled or waived, as applicable, and the Offer may or may not become unconditional and be completed. Accordingly, the issue of this announcement does not imply that the Offer will become unconditional and Shareholders and/or potential investors of the Company should therefore exercise caution when dealing in the Shares.**

#### **CONFIRMATION OF FINANCIAL RESOURCES**

Deutsche Bank, the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer.

#### **DESPATCH OF THE COMPOSITE DOCUMENT**

The Composite Document including, among other things, (a) a letter from Deutsche Bank as financial adviser to the Offeror in respect of the Offer, setting out the terms and conditions of the Offer; (b) a letter from the Board; (c) a letter from the IBC; and (d) a letter from the IFA, together with the accompanying form of acceptance, is expected to be despatched to the Shareholders on or before 16 September 2011.

## SPECIAL DEALS

Please also refer to the joint announcement of AkzoNobel, the Offeror and the Company dated 9 September 2011 on updates and details of special deals relating to the Offer, i.e. the Ancillary Transactions and the KC Transaction.

By order of the board of management of  
**Akzo Nobel N.V.**  
**Leif Darner**  
*Member of the management board*

By order of the Board  
**Schramm Holding AG**  
**Kyung Seok Chae**  
*Director*

By order of the management board of  
**Salvador AG**  
**Dietmar Stolle**  
*Member of the management board*

Hong Kong, 9 September 2011

*The Directors and Supervisors jointly and severally accept full responsibility for the accuracy of information contained in this announcement (other than that relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Offeror and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*The members of the management board of AkzoNobel and the Offeror jointly and severally accept full responsibility for the accuracy of information contained in this announcement relating to AkzoNobel and the Offeror and parties acting in concert with any of them and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement as expressed by AkzoNobel and the Offeror and parties acting in concert with any of them have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*As at the date of this announcement, Mr Peter Brenner, Mr Kyung Seok Chae and Dr Sung Su Han are Directors on the Management Board, Mr Jung Hyun Oh, Mr Jeong Ghi Koo, Mr Min Koo Sohn, Mr Bang Seon Ko<sup>#</sup>, Mr Choong Min Lee<sup>#</sup> and Mr Kiyoung Shin<sup>#</sup> are Supervisors on the Supervisory Board.*

*As at the date of this announcement, Mr Hans Wijers, Mr Keith Nichols, Mr Leif Darner, Mr Rob Frohn and Mr Tex Gunning are members of the management board of AkzoNobel.*

*As at the date of this announcement, Mr Dietmar Stolle and Mr Cyriacus Adelbert Altena are members of the management board of the Offeror.*

<sup>#</sup> *Independent Supervisors*