

## **Akzo Nobel's business unit Diosynth establishes biotech bridgehead in the US**

**Arnhem, the Netherlands, April 24, 2001 – Akzo Nobel announced today that its Pharma business Diosynth will acquire Covance Biotechnology Services Inc. (CBSI) for EUR 210 million (USD 190 million). CBSI is a leading company in the development and manufacturing of innovative biopharmaceutical substances, with an estimated sales volume for 2001 of USD 110 million.**

Diosynth is a recognized niche player in the Active Pharmaceutical Ingredient (API) market and has shown for many years above average growth in turnover and profitability. The company is active in the area of complex organic chemistry, biotechnology, biochemical extraction and sophisticated purifications. In recent years Diosynth has extended its technological base through considerable investments in its recombinant biotechnology manufacturing capabilities.

Through the acquisition of CBSI, Diosynth gains access to the large professional development group at CBSI, together with its commercial network in the US biotech market. This combined with Diosynth's extensive industrial experience with API manufacturing will create one of the world's leading companies in biopharmaceutical manufacturing.

"This acquisition strengthens Diosynth's potential for continued growth as a supplier of active ingredients to the innovative pharmaceutical industry. It will also enable Diosynth to increase its market strength as one of the strategic technology platforms of Akzo Nobel Pharma, alongside Organon and Intervet", said Paul K. Brons, responsible for the Pharma Group on Akzo Nobel's Board of Management. "The acquisition brings the added benefit of increasing Akzo Nobel's access to explorative biotech activities, especially those in the USA", he added.

"The timing of this acquisition is perfect", said Johan Evers, General Manager of Diosynth. "We have just opened our large downstream processing facility. And our new cell culture and fermentation plant will be on stream by the end of 2002. Combined with the increasing demand for biotechnology-based medicines, the acquisition will greatly enhance Diosynth's position as a supplier of biopharmaceutical API's", explained Mr. Evers.

"We welcome the purchase by Diosynth", said Chris Kuebler, Chairman and CEO of Covance Inc. "Using Diosynth's position as a reliable and committed partner for the innovative pharmaceutical industry is the best opportunity for growth at CBSI."

Closing of the transaction is subject to certain conditions, including the receipt by the parties of certain governmental approvals.

- - -

**Note for the editor**

Diosynth, a business unit of Akzo Nobel, is a market-driven and technology based manufacturer of active pharmaceutical ingredients. The company's expertise is complex organic chemistry, extractions, cell culture, fermentation and chromatographic purification, including HPLC. These technologies are used on an industrial scale to manufacture steroids, synthetic peptides, opiate analogues, carbohydrates, heparin and recombinant proteins, as well as proprietary innovator products. Diosynth's operations are backed by a large development organization, strong commitment to cGMP and strict adherence to HSE legislation. Diosynth is headquartered in the Netherlands, has about 2,300 employees and reached in 2000 a turnover of EUR 380 million (USD 350 million).

CBSI (Cary, NC, USA) is a subsidiary of Covance Inc. Covance, with headquarters in Princeton, NJ, USA, is one of the world's largest and most comprehensive drug development services companies with 2000 revenues of USD 800 million (EUR 850 million), operations currently in 17 countries, and approximately 7,500 employees worldwide. Pro forma income statements excluding financial results for Covance's biomanufacturing business for the full year 2000 will be available post closing of the transaction.

Akzo Nobel, based in the Netherlands, serves customers throughout the world with healthcare products, coatings and chemicals. Consolidated sales for 2000 totaled EUR 14 billion (USD 13 billion). The Company currently employs 68,000 people in 75 countries. Financial results for the first quarter of 2001 will be announced on Wednesday April 25, 2001.

Internet: <http://www.akzonobel.com>  
<http://www.diosynth.com>

**For more information please contact:**

Mr. Ian Cressie, Corporate Media Relations, Tel. +31 26 366 1864