

Akzo Nobel invests EUR 44 mln in pharma facilities in the United States

Investment to prepare Organon's production of pentasaccharide Org31540/SR90107

Arnhem, the Netherlands, September 29, 2000 – Organon, the human healthcare business unit of Akzo Nobel, has today announced an investment of EUR 44 mln (USD 38 mln) to prepare two facilities in the United States for the manufacture of a new blood-clot preventing drug (antithrombotic).

The investment will prime Organon's manufacturing facilities in West Orange and Allentown, New Jersey, for the production of the pentasaccharide Org31540/SR90107, which is being jointly developed by Organon and the French pharmaceutical company Sanofi-Synthélabo. Organon Inc's production facilities will be expanded to meet the new capacity requirements.

"The US pharmaceutical market is very dynamic and competitive, but is also very rewarding for innovative products. This investment aims at serving that market and is fully in line with our strategy to strengthen our US position", said Paul K. Brons, Akzo Nobel's board member responsible for the healthcare businesses. "The investment underscores the importance of this innovative fully synthetic drug which has shown such excellent results in the large scale clinical trials just completed. And additional studies for extended applications are already in progress."

The new drug is intended for use in major orthopedic surgery, such as knee and hip surgery. Exhaustive clinical tests have indicated that in the prevention of venous thromboembolic events (VTE) it shows an overall relative risk reduction of 50% as compared to low molecular weight heparins, which are commonly prescribed to prevent VTE after orthopedic surgery.

Akzo Nobel and Sanofi-Synthélabo plan to file the new treatment later this year for US and European approval.

Last year, Organon sales in the US increased by 50%, thanks to the success of its new product launches over the last few years.

Background information

Earlier this month, Organon signed an agreement with the French pharmaceutical company Sanofi-Synthélabo to commercialize and manufacture the new drug. In the United States, Canada and Mexico, joint ventures will market the drug via both companies' sales and distribution organizations in each of these countries. Organon and Sanofi-Synthelabo will each hold 50% of the joint ventures, which will be consolidated proportionally.

In Europe and the rest of the world (excluding Japan), where Sanofi-Synthelabo has considerable experience in the antithrombotics market, Sanofi will have the sole responsibility for the marketing and sale of the product. In consideration of Organon's continuous role in the joint research and development of the compound, Sanofi-Synthelabo will make milestone payments related to the approval of the product in the targeted indications. In addition, Organon will receive royalties on sales generated in Europe and the rest of the world.

Results of four major phase III clinical studies into the prevention of venous thromboembolism following hip and knee surgery show that the new drug prevents more venous thromboembolic events (VTE) than the comparator. The study results show that patients receiving the new treatment experienced a major clinical benefit in the prevention of VTE with an overall relative risk reduction of 50% over low molecular weight heparins. Minor and major bleeding risks were in line with those normally observed in major orthopedic surgery patients treated with low molecular weight heparins.

The four phase III trials in the prevention of VTE following knee and hip surgery involved over 7,000 major orthopedic surgery patients in Europe, Latin America, Australia, Canada and the United States, and represented the largest phase III clinical development program performed in this indication. Further details of the studies will be presented during the 42nd American Society for Hematology Annual Meeting, San Francisco, 1-5 December, 2000.

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Note for the editor

N.V. Organon is one of the pharmaceutical business units of Akzo Nobel and develops and produces pharmaceutical products in the fields such as gynecology, psychiatry, atherothrombosis, and autoimmune diseases. Organon employs more than 11,700 employees worldwide and invests over 17% of its sales income in its drug discovery and development programs.

Akzo Nobel, based in the Netherlands, serves customers throughout the world with healthcare products, coatings, and chemicals. Consolidated sales for 1999 (excluding Acordis) totaled some EUR 12 billion (USD 13 billion, GBP 8 billion).

At the beginning of 2000, the Company employed 68,000 people in 75 countries.

Financial results for the third quarter of 2000 will be announced on October 25, 2000.

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