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**Singapore:** Swiss pharma giant Lonza group today announced that they have inked an agreement under which Lonza will acquire Capsugel from KKR for USD 5.5 billion in cash, including refinancing of existing Capsugel debt of approximately USD 2 billion, through a transaction that has been approved by the Boards of Directors of both Lonza and Capsugel. The transaction will be financed with a combination of debt and equity financing.

The deal will help Lonza to accelerate growth and deliver value along the healthcare continuum by complementing its existing offerings and by opening up new market opportunities in the pharma and consumer healthcare and nutrition industries. The acquisition of Capsugel, will add a trusted brand to Lonza with a large breadth of technologies and will expand the market reach of its contract development and manufacturing organization (CDMO) and products businesses. It will also support Lonza's strategic ambition of getting closer to the patient and end consumer.

With approximately 3,600 employees and 13 facilities on three continents, Capsugel has a customer-centric, entrepreneurial and collaborative culture that closely aligns with Lonza's corporate culture. Both companies focus on quality, operational excellence and delivering on promises.

"The acquisition of Capsugel meets Lonza's strategic and financial goals. It accelerates our healthcare continuum strategy by giving us broader exposure to the fast-growing pharma and consumer healthcare markets," Lonza Chief Executive Mr Richard Ridinger said in a statement.

The combined business will be well positioned to benefit from the dynamics in these industries and to anticipate and address technology trends in order to support the evolving needs of its customers. It will provide additional value by offering an integrated portfolio of industry-leading technologies, from active pharmaceutical ingredients (APIs) through excipients to dosage forms and delivery technologies.

The deal will strengthen Lonza's position in consumer healthcare and nutrition as Lonza becomes a fully integrated and innovative service provider of active ingredients, oral dosage forms, development services and delivery technologies. As a result Lonza will be well positioned to meet the increasing need for optimized consumer health and nutrition through a wide offering of next-generation dosage forms. The combined business will also be able to leverage its bioavailability technology to create a new dietary ingredient-ready offering, as well as capitalize on its formulation expertise to develop new ingredients and to market new combination products.

Mr Guido Driesen, President and Chief Executive Officer of Capsugel, said, "This transaction brings together two leading companies that share a common vision - to deliver real value to customers by accelerating their ability to develop and commercialize innovative pharmaceutical and healthcare products. The combination of our complementary technology platforms will put us in a strong position to benefit from evolving trends in the pharma and consumer healthcare markets."

He added, "Both companies enjoy a strong quality and regulatory track record, and we believe that the combination enables us to provide the most complete set of tailored and integrated solutions for our customers. We look forward to bringing together our talented teams to deliver science- and engineering-based solutions to customers for the benefit of the patients and consumers who use their products. I am personally committed to making this integration a success."