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Poised to Become Number One

Technological leadership, outstanding customer care and products of the highest quality – the **Pharmaceutical Packaging Business Segment** of the SCHOTT Group has a clear recipe for success.

as all customer audits conducted to date have proven.

Latest technological developments

► Manufacturing facilities in close proximity to customers and products of the highest possible quality are indispensable prerequisites for success in the extremely competitive global market for pharmaceutical packaging. Even in today's difficult economic environment, the demand for pharmaceutical packaging remains stable. The annual capacity of the Pharmaceutical Packaging Business Segment is 5.5 billion ampoules, cartridges, vials and syringes. With ten production facilities located around the globe, the Pharmaceutical Packaging Business Segment is well positioned to serve its customers throughout the world. The latest addition is the new manufacturing plant in Lebanon, Pennsylvania, which opened in October 2003. Although it was just an eight-mile move from the former plant in Cleona, the challenge was to ensure uninterrupted production and delivery – without any adverse effects on quality. This was achieved with flying colors,

SCHOTT invested 14 million U.S. dollars in the new facility for the production of vials, dental cartridges and ampoules according to the company's high international standards. These standards begin with the design of the facility and extend to the production processes, which, like the strict quality control procedures, are the same throughout the world. The 16,000-square meter location in Lebanon offers the prerequisites for production based on the latest technological developments. There is also plenty of space for future expansion. This will allow the company to penetrate new markets that have high growth potential. For example, SCHOTT plans to enter the glass and polymer syringe market. The share of syringes in the total North American market of primary packaging materials made from tubing glass is 27 percent and is growing annually by 15 percent.

Well positioned

In fact, all of the world's major pharmaceutical companies have locations in the United States. The North American market consti-

tutes a quarter of the world demand for pharmaceutical packaging made with glass tubing. Dr. Christoph Fässler, Executive Vice President of the Pharmaceutical Systems Strategic Business Unit thus has a clear goal: "We are currently number 3 in the U.S. and are determined to become number 1." With sites in Córdoba, Mexico and Lebanon, Pennsylvania SCHOTT is well positioned to achieve the top ranking in the North American market. The company's extensive know-how now really comes into play with the state-of-the-art production facilities and ultramodern clean rooms. "The major phar-

Pharmaceutical packaging is fabricated according to the high standards of Good Manufacturing Practice at the 16,000-m² production plant in Lebanon, Pennsylvania.



maceutical companies in the U.S. demand the highest of production standards. With our many years of experience in the top league of the high-tech glass industry, SCHOTT is clearly capable of meeting these requirements."

Growth despite pressure on costs

The demand for pharmaceutical packaging remains stable, and growth is estimated at about three percent per year. On the other hand, costs for health care are currently under intense scrutiny in many countries, including the United States and Germany. This has also had an effect on the prices of pharmaceutical packaging.

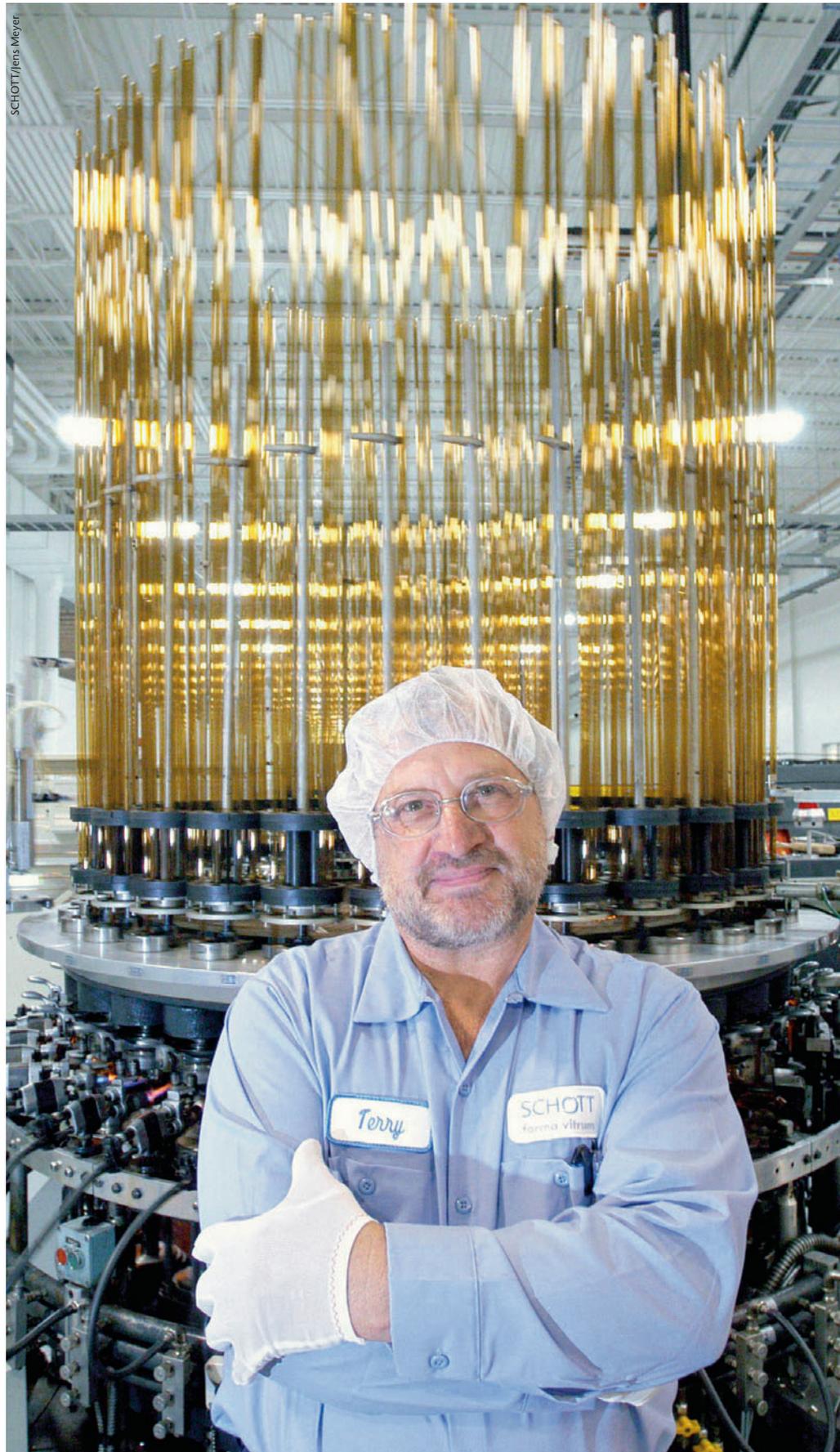
It is precisely the international presence of the Pharmaceutical Packaging Business Segment that will help the company to thrive in the face of ever-increasing competition. As the only manufacturer of pharmaceutical packaging made with glass tubing, SCHOTT forma vitrum has production facilities at ten sites around the world and thus can serve the local markets quickly and reliably. The various pharmaceutical manufacturers that also operate on a global scale can therefore work with a supplier who, like them, is represented locally with the same high quality standard found elsewhere in the world.

Quality control begins with the right production materials

Only the high-quality special glass tubing of SCHOTT's Tubing Business Segment is used as a raw material in Lebanon. In fact, seamless quality assurance begins with purchasing the right production materials. The manufacturing plant is equipped with high-tech monitoring systems. Video cameras allow 100-percent dimensional and also partly cosmetic inline controls, while hundreds of sensors at each facility ensure that products which fail to meet customer specifications are screened out.

Quality control extends even beyond the dispatch of finished products. The whereabouts of products and batches can be traced with the help of a special numbering system. The customers of the new plant in Lebanon can thus rest assured that Good Manufacturing Standards (GMP) are met in every aspect of production. ◀

www.schott.com/pharmaceutical_packaging



With many years of experience in the top league of the high-tech glass industry, SCHOTT aims to become number one in pharmaceutical packaging made of glass tubing in the U.S.