

## IsoTis and University of Twente Establish World Class Orthobiologics Research Group

**Irvine / Lausanne / Bilthoven, October 21, 2003** – IsoTis (ISON: SWX/Euronext) and the University of Twente today announced the transfer of the IsoTis in-house orthobiology research group to the University of Twente. The group will become part of the Biomedical Technology Institute (BMTI) of professor Jan Feijen. The scientific founders of IsoTis NV in 1996, professors Klaas de Groot and Clemens van Blitterswijk (professor of biocompatibility at the University of Twente), will head the new group.

The research group will focus on the biology and repair of musculo-skeletal tissues. With the group's integration in the BMTI, the institute will immediately become one of the leading forces in tissue repair, with approximately 45 researchers active in the field, of whom 30 are Ph.D students. In return for providing financial support, IsoTis will own the resulting technology or products created by the group within defined programs, thereby securing the long term inflow of new technology into the IsoTis product pipeline. Financial details were not disclosed.

The group will, among other things, concentrate on strengthening the IsoTis osteoinductive bone graft program by further investigating the underlying mechanisms of osteoinduction, with the goal of identifying concrete steps for product development and improvement. In a completely new program, a similar approach will be applied to the induction of cartilage growth: chondroinduction. The great promise of these technologies is to develop products that will enable improved repair of tissues at a fraction of the cost of cell-based therapies.

James Hogan, President EMEA and Asia Pacific of IsoTis said: "The transfer of our in-house research group to the University of Twente is in line with our current focus on product development and reaching profitability in 2005. The world-class research center at the University of Twente is a perfect partner for our long-term research interests. IsoTis can now focus on product development based on our existing technologies, while ensuring access to new technologies that can keep us at the cutting-edge of our rapidly growing industry."

Frans van Vught, Rector of the University of Twente, said: "Innovation is a hotly debated topic these days, especially in The Netherlands. The University of Twente has always been at the forefront of innovation, both through its academic curriculum, and through the way it supports entrepreneurship. The University of Twente has the highest number of academic spin-offs in the Netherlands. The establishment together with IsoTis of the research group led by Klaas de Groot and Clemens van Blitterswijk marks another milestone. At one stroke Twente has in house what is probably one of the leading groups in its field worldwide, and it is highly encouraging that the Dutch government has recently allocated EUR 25 million of the ICES/KIS funds to tissue engineering. The structure in which this collaboration came about, working so closely with industry, is quite unique. I am confident that all parties will stand to benefit from it, the researchers, the company, and the University of Twente. I expect that this collaboration will result in excellent research and many new start-ups."

**IsoTis Orthobiologics** - IsoTis OrthoBiologics was created in Q4 2003 through the merger of GenSci OrthoBiologics, a US-based orthobiology company, and IsoTis SA, a Swiss-Dutch biomedical company. The company operates out of its corporate headquarters in Lausanne, Switzerland, and its facilities in Bilthoven, The Netherlands and Irvine, California, US. IsoTis Orthobiologics has 150 employees, a product portfolio with 6 orthobiology products on the market and 9 in development, pro-forma product sales of US\$ 24 million in 2002, and is traded under the symbol "ISON" on both the Official Market Segment of Euronext Amsterdam, the Main Board of the Swiss Exchange.

**University of Twente** - The University of Twente is an entrepreneurial research university. It was founded in 1961 and offers education and research in areas ranging from public policy studies and applied physics to biomedical technology. The UT is the Netherlands' only campus university.

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*other regulatory approvals (a.o. EMEA, CE), market acceptance of the combined Company's' products, development of competing therapies and/or technologies, the terms of any future strategic alliances, the need for additional capital, the failure of IsoTis or GenSci shareholders to approve the merger transaction, the inability to obtain, or meet conditions imposed for the required governmental and regulatory approvals and consents, the risk that IsoTis and GenSci will not consummate the transaction, or that implementing the merger may not provide all or any of the benefits projected as it will place significant demands on our management. For a more detailed description of the risk factors and uncertainties affecting IsoTis, refer to the Joint Information Circular and to IsoTis' reports filed from time to time with the Swiss Stock Exchange, SWX, Euronext Amsterdam N.V. For a more detailed description of the risk factors and uncertainties affecting GenSci, refer to the Joint Information Circular and to GenSci's reports filed from time to time with the Canadian securities regulators, available at [www.sedar.com](http://www.sedar.com). IsoTis and GenSci are not obligated to update or revise any forward-looking statements, whether as a result of new information or otherwise.*

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