

Cipla announces plans to takeover SA based Medpro

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Cipla has announced an offer to the shareholders of Cipla Medpro South Africa to acquire 100% of the ordinary share capital of Medpro for \$1.13 per share. The offer will be implemented via a scheme of arrangement and is subject to regulatory and other approvals including approval by Medpro shareholders. The Board of Directors of Medpro have unanimously resolved to support and facilitate Cipla's Offer and recommended to Medpro shareholders that they vote in favour of all resolutions required to implement the Scheme. The proposed acquisition will be made either directly by Cipla or by a subsidiary nominated by it and will be funded largely through internal accruals and will consider other alternatives, if required. The total consideration payable by Cipla is approximately USD 512 million.

Speaking of the Offer, Cipla CEO Mr. Subhanu Saxena said, "South Africa is an attractive emerging market with strong projected growth for generic drugs of approximately 14% per year for the next several years. This investment is aligned with Cipla's strategy to ascend the value chain by managing a front-end sales force in a market outside India. Cipla and Medpro have enjoyed a long-standing symbiotic relationship spanning two decades. The deal enables Cipla to strengthen Medpro's position in the South African pharmaceutical market, support the optimisation of Medpro's manufacturing capability and support Medpro's expansion into collaboratively identified African markets."

Cipla Chairman, Dr. Yusuf Hamied added: "This investment is aimed at further strengthening our commitment to South Africa and the broader African continent. Patients and the healthcare landscape will benefit both from Cipla's 77+ years of experience across products, technologies, dosage forms and Cipla's ethos of striving hard to provide greater access to medicine."

Cipla Medpro is one of South Africa's fastest growing pharmaceutical companies. The third largest pharmaceutical firm in SA, it is a leading provider of chronic medicines to the public and private sectors, with particular strength within, inter alia, the cardiovascular, antiretroviral (ARV), respiratory and neuropsychiatric categories. Medpro has 2 distribution centers in Cape

Town, one in Durbanville and one in Atlas Gardens.