

## **Zydus Cadila acquires Nippon Universal, strengthens its presence in Japan**

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Ahmedabad, April 19, 2007

Strengthening its base in Japan, the world's second largest pharma market, Zydus Cadila today announced the acquisition of Nippon Universal Pharmaceutical Ltd. The group has acquired 100% stake in this privately held company headquartered at Tokyo.

The Japanese generics market valued at \$ 3 bn has a tremendous growth potential as it currently stands at just 5% of the total pharma market in Japan in value terms and 17% by volume. The acquisition will provide critical access to a ready manufacturing and marketing base as well as a strong distribution reach. Nippon reaches out countrywide to more than 4000 hospitals and clinics. This is expected to provide a fillip to the group's operations in a market that is highly complex and dominated by local pharma companies.

Zydus which had set up Zydus Pharma Inc in 2006 to spearhead its foray in the generics market of Japan will now be able to jumpstart its operations. Nippon provides an opportunity for the group to establish itself in Japan's rapidly evolving generics space. Zydus will be looking to leverage Nippon's strong relationship with key wholesalers which spans over three decades.

The group has identified a new product development programme that will feed at least 5 to 6 products each year to their portfolio and build a basket of 40-50 products over the next 3 to 4 years. Moreover Zydus will acquire new Marketing Authorisations (MA) from the market to cut short on development time and would also explore in-licensing agreements with other generic companies. With a sizeable number of products in its portfolio, the group will also be looking to expand the field force to cover new areas and customers in the medium term.

In this highly regulated market with high expectations in terms of quality and consistency of supplies, companies looking to consolidate their presence have found the acquisition route the most ideal one.

Speaking on the acquisition, Chairman and Managing Director, Mr. Pankaj R. Patel said, "We had announced our intentions of being a long term player in this market when we set up our subsidiary last year. Going forward, I believe this acquisition will unlock value for us as generic market in Japan is just opening up and post 2010 we expect this market to be a major growth driver for our global business."

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This marks Zydus Cadila's second overseas acquisition, the first being Alparma France in 2003. With a turnover of over Rs. 1800 crore, Zydus Cadila is a global healthcare provider and amongst the leading healthcare groups in India. On a path of accelerated growth, the group has been expanding its operations through both the organic and inorganic route. Starting with the acquisition of Recon Healthcare in 2000, Zydus Cadila went on to acquire German Remedies Ltd., in 2001 and Banyan Chemicals in 2002. Most recently the group made a foray in the 1500 crore Derma market in India with the acquisition of the Mumbai-based, Liva Healthcare. With over 6,000 employees Zydus has business operations in more than 50 countries worldwide.

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