

Zydus and Nycomed expand scope of JV to create an API manufacturing hub for global supplies

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Zydus Nycomed, the 50:50 joint venture company set up by Zydus Cadila and Nycomed, will now be an API manufacturing hub with Nycomed planning to transfer its current API production from facilities at Linz (Austria) and Singen (Germany) to Zydus Nycomed in India over a period of four years. This would result in manufacture of 18 APIs. The new development comes in the wake of both companies deciding to expand the scope of the existing joint venture agreement and signing a letter of agreement to this effect.

Zydus Nycomed which has emerged as one of the most successful JV models is also a benchmark for high quality production at the most cost competitive prices. The joint venture company was set up in 1999 to manufacture key starting materials for the production of Pantoprazole at the state-of-the-art plant at Navi Mumbai.

The agreement between the two companies marks an important step in enhancing the competitiveness of Zydus Nycomed. By leveraging its expertise to address concerns of both costs and quality excellence, Zydus Nycomed will be a key sourcing base for Nycomed's global API supplies.

Speaking on the newly expanded agreement, the Chairman and Managing Director of Zydus Cadila, Mr. Pankaj R. Patel said, "The need to create a centre of excellence that sets the highest global standards in quality and service has been the very basis of this partnership. The new avenue that we have opened up strengthens this premise and will add a new dimension to the mutually beneficial partnership that exists between the two companies."

Barthold Piening, Nycomed's Executive Vice President Operations, emphasizes the importance of a competitive API production: "World over, the chemical API production is under increasing cost pressure. We will focus on the pharmaceutical production, because this is an area for future innovation where we can utilise all our know-how to compete."

Piening added: "It is a pleasure for us to expand the successful joint venture with Zydus Cadila. This will enable us to continue API production at the highest quality level with competitive costs."

About Nycomed

Nycomed is a privately owned pharmaceutical company that provides medicines for hospitals, specialists and general practitioners, as well as over-the-counter medicines in selected markets.

The company is active in a range of therapeutic areas. Its key products are aimed at gastroenterology, pain management, osteoporosis, respiratory diseases and tissue management. New products are sourced both from our own research and from business partners.

Operating throughout Europe and in fast-growing markets such as Latin America, Russia/CIS and the Asia-Pacific region Nycomed has a presence in about 50 markets worldwide.

The combined group employs over 11,500 people. In 2007, it had annual sales of €3.5 billion and an adjusted EBITDA of €1.2 billion.

About Cadila Healthcare

Zydus Cadila is a fully integrated, global healthcare provider, with strengths all along the pharmaceutical value chain and provides total healthcare solutions ranging from formulations, active pharmaceutical ingredients and animal healthcare products to cosmeceuticals.

In the Indian healthcare industry, Zydus Cadila ranks no.5 and is currently the leader in the cardiovascular, gastrointestinal and women's healthcare segments and has leading positions in other therapeutic segments such as respiratory and pain management. Globally, it has operations in over 45 countries worldwide with operations in US, Europe, Japan and Latin America, besides other emerging markets. It also has a dedicated research centre, Zydus Research Centre, which employs over 300 scientists working on new chemical entities.

Supporting its marketing prowess are the group's manufacturing facilities. The group has eight state-of-the-art, vertically integrated manufacturing facilities spread across five states in India of which three are US FDA approved.

Zydus Cadila is supported by a team of over 8000 people worldwide, comprising professionals, research scientists, medical advisors and workers. On a path of accelerated growth, the group posted a turnover of Rs. 1900 crore in 2006-07.
