



Press Release

Cipla to Launch South Africa's first Biotech Manufacturing Facility

Mumbai, July 8, 2016: Cipla Ltd announced this week that its proposed biotech subsidiary in South Africa will invest just over R1.3 billion into the country's first state-of-the-art biotech manufacturing facility, for the production of biosimilars. Cipla Ltd is a global pharmaceutical company and owner of Cipla Medpro, South Africa's third largest pharmaceutical manufacturer, as well as Cipla BioTec, a biotechnology company focused on affordable and accessible biopharmaceuticals.

Steven Lehrer, Director of Cipla BioTec said that "Biosimilars are important to enable access to advanced cancer and autoimmune treatments. These treatments are only used by about 8% of patients who should be treated worldwide mainly due to the high costs of these drugs. Biosimilars are as safe and effective as the original treatment and are starting to be introduced worldwide. However, biosimilars remain too expensive for broad use outside of major western markets. Cipla BioTec aspires to transform the biosimilars market worldwide, by significantly increasing access with its strategy of one global product standard at affordable pricing. Cipla BioTec's unique manufacturing strategy is leveraged from its in house proprietary manufacturing software and single use technology."

According to both **Paul Miller, CEO of Cipla Medpro** and **Divian Govender, CEO of the proposed entity Cipla BioTec South Africa**, the **Indian Prime Minister, Mr Narendra Modi**, is in South Africa on the 8th of July 2016 and Cipla BioTec has been invited to attend the Prime Minister's keynote address. Prior to the event, a memorandum of understanding (MOU) between Cipla BioTec Pvt Ltd and Dube Tradeport Corporation will be signed. The MOU affirms Cipla BioTec's and Dube Tradeport Corporation's commitment for the investment and outlines terms of reference for the project.

Govender adds that the factory, which will be located in the Department of Trade and Industries Special Economic Zone of Dube Tradeport in Durban, will manufacture biosimilar drugs made from living organisms and used in the treatment of cancer and other diseases. Biosimilars are designed to have the same characteristics as an original biological agent. Construction is scheduled to start in early 2017, with full operations expected to commence in the third quarter of 2018.

Lehrer states that, at full capacity, the facility is expected to create upto 300 jobs (upto 180 high skilled jobs and 120 indirect jobs), primarily in the engineering and biological science fields. "It marks the entrance of Cipla Ltd subsidiary, Cipla BioTec, into South Africa and will be run

independently of the pharmaceutical's existing manufacturing division, Cipla Medpro Manufacturing (CMM).”

The Minister of Health Aaron Motsoaledi was recently quoted in the press that he is extremely concerned of the high costs of medical care, using cancer drugs as an example. He further commented: “Just as the price of ARV’S were unaffordable then cancer drugs are devilishly unaffordable today.” He called for the same effort that was used to reduce the price of ARV’S to be used in the fight against other diseases. The Minister highlighted that a breast cancer patient could pay up to R500 000 for Herceptin for a year’s treatment. This makes it virtually unaffordable for both the private and public sector.

In the light of this Miller explains that in South Africa, people without access to private insurance have limited or no access to any biologic medicine due to the very high prices of the innovator molecules. Currently about 1-in-50 patients in Africa have access to biologic medication. “We are striving to reduce this number to about 1-in-5 cancer patients through the production and supply of biosimilar medication at an affordable price. This embraces Cipla ethos of advancing healthcare for all.”

The biosimilars produced at the facility will be for both state and private sectors and there is also the potential to export to markets in the US, European Union and Asia, explains Miller. “The capacity of this factory will have the potential for a vast majority of the products to be exported, thereby contributing significantly to the country’s economic growth and skill development.”

Subhanu Saxena, MD & Global CEO, Cipla Ltd. said, Cipla’s investment in this facility will enable the creation of the first Bio-cluster on the African continent. “A state-of-the-art, world-class manufacturing base here in South Africa will allow opportunities for supply chain partners and related companies to get involved. This in turn will allow top-notch research efforts to stay in South Africa and attract research from international institutions as well.”

The biotech manufacturing facility will have the necessary design capacity and capabilities and will seek regulatory approvals to supply the local market and to export into the rest of Africa and Europe.

“This investment follows the launch of the new distribution centre, Cipla Distribution Gateway in 2015, which saw a R185-million investment into the country as well as a recent R400-million upgrade to the existing manufacturing facility in KZN,” concludes Miller.

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About Cipla BioTec:

Cipla BioTec is a research, development, manufacturing and marketing organization focussing on biosimilar products. The entity is a 100% owned subsidiary of Cipla Limited. Cipla BioTec is in varied phases of developing world class medicines for treatment of cancer, auto-immune and other diseases. Through innovative technology and go-to-market solutions, Cipla BioTec aims to create a transformational impact in the way these medicines are used globally. The company’s approach is based on the principles of producing global standard medicines and driving access through embedding in local ecosystems and application of disruptive & state-of-the-art manufacturing technology.

About Cipla Medpro:

Cipla Medpro - the third largest pharmaceutical manufacturer in South Africa - is a leading provider of affordable medicines to the public and private sectors. Cipla Medpro manufactures world class pharmaceuticals at cost-effective prices, making quality medicines affordable, and advancing healthcare for all South Africans.

About Cipla Ltd.:

Cipla is a global pharmaceutical company which uses cutting edge technology and innovation to meet the everyday needs of all patients. For 80 years, Cipla has emerged as one of the most respected pharmaceutical names in India as well as across more than 100 countries. Our portfolio includes over 1000 products across wide range of therapeutic categories with one quality standard globally.

Whilst delivering a long-term sustainable business, Cipla recognises its duty to provide affordable medicines. Cipla's emphasis on access for patients was recognised globally for the pioneering role played in HIV/AIDS treatment as the first pharmaceutical company to provide a triple combination anti-retroviral (ARV) in Africa at less than a dollar a day and thereby treating many millions of patients since 2001.

Cipla's research and development focuses on developing innovative products and drug delivery systems.

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