

Cipla to buy Cipla Medpro South Africa for \$512 mn

28 February 2013 | News | By BioSpectrum Bureau



Singapore: Cipla has shown its intent to acquire 100 percent ordinary shares of Cipla Medpro South Africa for \$1.13 (ZAR 10.0) per share. Cipla's offer will be implemented via a scheme of arrangement and is subject to regulatory and other approvals including approval by Medpro shareholders. The total consideration payable by Cipla is approximately \$512 million (ZAR 4.5 billion).

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.

Cipla CEO Mr Subhanu Saxena said that, "South Africa is an attractive emerging market with strong projected growth for generic drugs of approximately 14 percent 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 salesforce 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 that, "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 over 77 years of experience across products, technologies, dosage forms and Cipla's ethos of striving hard to provide greater access to medicine."

Morgan Stanley is acting as exclusive financial advisor and Webber Wentzel is acting as legal advisor to Cipla in connection with this transaction.