

Qualicaps® acquires Genix Industria Farmaceutica Ltda., Brazil's leading hard capsule manufacturer

SAO PAULO, BRAZIL – Qualicaps® has acquired Genix Industria Farmaceutica Ltda., Brazil's leading two-piece hard capsule manufacturer with operations located in the pharmaceutical hub of Goais, and commercial activities managed from Sao Paulo.

Qualicaps® is a global manufacturer of a complete assortment of two-piece hard capsules and related pharmaceutical processing equipment, belonging to Mitsubishi Chemical Holdings Corporation through Life Science Institute, Inc., which encompasses its healthcare portfolio of businesses. With over a century of experience and a strong record of pioneering in new forms of drug administration, Qualicaps® is responsible for several milestones in the history of hard capsule development, introducing features so widely accepted and trusted that they have since become standards in the pharmaceutical industry. The acquisition allows the company to effectively expand its global presence from operating sites in Japan, Spain, Romania, Canada and the USA, to include Brazil.

Through Genix, Qualicaps® will serve the pharmaceutical market in Latin America, valued by IMS Health at US\$72 billion in 2014 and estimated to grow annually at an average of 5-8% through to 2019. The company will become the leading hard capsule manufacturer in the region and the only one with a production site in Brazil, the third largest pharmaceutical market in the Americas after the USA and Canada, and the seventh in the world. Genix currently supplies a large number of companies operating within the pharmaceutical and nutraceutical industry, and accounts for over half of Brazil's market share in hard capsules.

In addition to a strong customer base, Genix brings to Qualicaps® 13 years of experience in hard gelatin capsule manufacturing, and a robust process that is certified for Good Manufacturing Practice and Pharmaceutical Ingredients by ANVISA. From a financial perspective, consolidated figures are estimated to represent approximately a 7% growth in Qualicaps® revenue in the short term, while in the long-term the Americas region overall will increase in its overall contribution through planned future capacity increases. Kent M. Payne, Ph.D, President of Qualicaps® Americas, comments to this regard, "This acquisition marks a major milestone for Qualicaps® in positioning

ourselves to provide a more complete coverage for our existing and potential pharmaceutical customers in the region. We look forward to continuing to accelerate our growth in Brazil and other Latin American countries as part of our overall strategic expansion plan for the Americas.”

The two companies already share an important synergy that enables their integration, as Genix has had a long-standing collaboration with Technophar, a wholly owned subsidiary of Qualicaps[®] that provides the machinery and technology for both companies’ manufacturing processes.

“With Genix as part of the Qualicaps[®] group of companies, we continue along the path marked by our vision of becoming the number one preferred partner to the pharmaceutical industry through addressing our customers’ needs and growth in the South American region,” comments *Ciro Ahumada*, Group CEO. He adds that “Genix fully complements the Qualicaps[®] business, as it also has a strategical and operational focus on providing high-quality pharmaceutical-grade capsules along with scientific and technical support to our customers.”