



Press Release



Ergon Capital Partners acquires PharmaZell GmbH and creates a leading pan-European player in specific API niches through combination with Farmabios SpA.

Brussels, October 18, 2011 – Ergon Capital Partners II SA (“Ergon”) announces today that it acquired PharmaZell GmbH (“PharmaZell”) from a consortium of shareholders led by MFBay GmbH – a fund advised by Auctus Capital Partners AG – as well as Lead Equities.

Headquartered in Raubling, Germany, with three manufacturing sites in Germany and India, PharmaZell is a leading manufacturer and distributor of Active Pharmaceutical Ingredients (API) sold to both originators and generic pharmaceutical producers. In the fiscal year ended March 31, 2011, PharmaZell reported sales of €52.4 million and EBITDA of €8.9 million.

Ergon will combine PharmaZell with Farmabios, its existing Italian API producer, and thereby create a leading player in specific API niches, with sales in excess of €100 million and EBITDA in excess of €20 million. PharmaZell and Farmabios will operate under a common holding, ZellBios, controlled by Ergon and headquartered in Luxembourg. Giorgio Oberrauch, CEO of Farmabios and Oliver Bolzern, CEO of PharmaZell will both be appointed as Managing Directors of ZellBios.

Dr. Oliver Bolzern, CEO of PharmaZell commented: “This is a strategically important step in the development of PharmaZell. The management team of PharmaZell is excited to continue its growth plan together with Ergon. The business activities of Farmabios, with its leading positions in niche APIs, are complementary to PharmaZell’s API business.”

“The pooling of resources of PharmaZell and Farmabios will help the combined company gaining necessary critical mass in the API sector for the benefit of all our customers”, added Giorgio Oberrauch, CEO of Farmabios.

Wolfgang de Limburg, Partner at Ergon, commented: “Ergon is very enthusiastic to team up with Oliver Bolzern and his team to deliver our common ambition of creating a pan-European API champion through the combination of PharmaZell with Farmabios. Both companies have been highly successful in the past, consistently delivering growth and innovation, and together have significant further development potential in their specific API niches.”

“Ergon has extensive experience and strong track record in helping leading companies expand across geographies and execute value-adding acquisitions, hence we are well placed to support PharmaZell’s expansion strategy”, added Emanuele Lembo, Partner at Ergon.

For the sellers, Dr. Nicolas Himmelmann from Auctus Capital Partners commented: “After significant achievements under our ownership, we are delighted to have found in Ergon a



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strong and experienced partner for the continuing development of PharmaZell within the API space”.

Ergon was advised in this transaction by Leonardo & Co. (M&A), Freshfields Bruckhaus Deringer (Legal), PwC (Financial, Tax and Structuring), Electa Group for Structuring, Seer Pharma (GMP & Production), Arthur D. Little (Strategy), Marsh (Insurance) and URS (Environmental).

PharmaZell shareholders and Management were advised by TransAct (M&A), Pöllath & Partner (Legal) and KPMG (Financial and Tax).

About ERGON

Ergon is a mid-market private equity investment company with €775 million under management backed by Groupe Bruxelles Lambert (GBL) and Parcom Capital/ING, which targets equity investments from €20 million up to €75 million in companies located in Benelux, France, Italy, Spain, Germany and Switzerland. Headquartered in Brussels, Ergon is advised by local teams with offices in Paris, Milan and Madrid. Ergon's investment philosophy is one of value creation in partnership with management teams, following an industrial strategy to generate long-term capital gains. Ergon deploys the industrial and conservative long-term vision of a successful family-controlled group.

About PharmaZell

Founded in 1947 in Raubling (Bavaria, Germany), PharmaZell develops and produces APIs, provides services for formulation development and compiles required regulatory documents for both originators and generic pharmaceutical manufacturers. Most of PharmaZell APIs are niche molecules for which the total market size is limited. For its 6 main products, PharmaZell is either the #1 or the #2 largest manufacturer worldwide and has cost and technology leadership. PharmaZell runs three production facilities located in Raubling (Germany), Chennai (India) and Vizag (India). More information is available at www.pharmazell.com

About Farmabios

Headquartered in Gropello Cairoli, Italy, Farmabios is a leading independent niche APIs producer with leading positions in steroids, sterile cephalosporins and high potent substances. During 2011, Farmabios launched a new range of innovative and off-patent anticancer molecules that are manufactured in a new state of the art dedicated production unit. Farmabios targets both the off-patent and the originator markets for formulated pharmaceutical products. The company is owned by Ergon since 2007. More information is available at www.farmabios.com.