Vivimed

For Immediate Release

May 16, 2014

Vivimed receives the PIC/S GMP approval for one of its pharmaceuticals manufacturing facilities in Hyderabad

Hyderabad, India, May 16, 2014 – Vivimed Labs Limited ("Vivimed" or the Company), a niche Specialty Chemicals and Pharmaceutical manufacturing company, announced today that it has received the PIC/S (Pharmaceutical Inspection Convention and Pharmaceutical Inspection Co-operation Scheme) GMP (Good Manufacturing Practice) approval for one of its pharmaceuticals manufacturing facilities in Jeedimetla, Hyderabad for the supply of finished dosage formulations to the CIS (Commonwealth of Independent States) region. Vivimed and its wholly owned subsidiaries also have three USFDA / EDQM approved API facilities in Spain and Mexico, and one US FDA approved finished formulation facility in India.

Vivimed is one of the few companies in India to have PIC/S GMP approval for the supply of finished pharmaceutical formulations to the CIS regions. This approval provides Vivimed with a significant opportunity to penetrate the CIS markets and other PIC/S member countries for the formulation manufacturing business. The Company is expected to start making commercial supplies to the CIS region from Q1 FY2015. The formulation manufacturing business contributed to 16% of Vivimed's nine months FY2014 revenues of Rs. 9.9 billion.

Commenting on the development, **Mr. Santosh Varalwar, Managing Director** and **CEO** said:

"I am glad to announce that we have now received the awaited GMP PIC/S approval for the supply of finished dosage formulations to the CIS region. This approval is a testament to the quality of our manufacturing facilities and commitment to match the international regulatory expectations of the pharmaceutical business. It will provide us with an opportunity to start catering to customers in the CIS region and other ASEAN countries. We are confident that this will help in enhancing our formulations exports business."

The Pharmaceutical Inspection Convention and Pharmaceutical Inspection Co-operation Scheme (jointly referred to as PIC/S) are two international instruments between countries and pharmaceutical inspection authorities, which provide together an active and constructive co-operation in the field of GMP. PIC/S' mission is "to lead the international development, implementation and maintenance of harmonised Good Manufacturing Practice (GMP) standards and quality systems of inspectorates in the field of medicinal products." There are currently 44 Participating Authorities in PIC/S (Convention and Scheme taken together).

Ukraine, one of the countries where Vivimed currently markets its formulation products, is the second largest nation by population (46.6 million) in the region after Russia. This represents an attractive domestic consumption demand opportunity. According to an industry research, the Ukrainian pharmaceuticals market is currently $4.2 billion and is expected to reach to $5.5 billion in 2018. The rollout of national health insurance coverage and reimbursement of medicines is expected to drive growth in the medium term. Prescription drug market is currently estimated to be over 62% of the overall medicines spending and most of the hospital purchases. OTC trade accounts for the remaining 38% of the market. Imports accounted for 80% of Ukraine's market in terms of value and India was the second largest exporter to Ukraine after Germany with $325 million worth of exports in 2013.

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