

Press release

Paris, April 10th, 2007

Astorg Partners leads MBO of Ethypharm alongside management and existing investors

Astorg Partners announces today the acquisition of the Groupe Ethypharm, one of the world leaders in the development and manufacturing of oral “Drug Delivery Systems” (DDS) for the pharmaceutical industry. Astorg holds 60% of Ethypharm. Gérard Leduc and the management team will retain a significant equity interest of 29% in the company. Intermediate Capital Group and other investors will hold the remainder of the equity.

Ethypharm, one of the world leaders in the development and manufacturing of oral DDS, supplies both major pharmaceutical groups and generics players with high-end drugs that feature particular absorption technologies. Drug Delivery Systems provide major benefits including improving the drug efficacy, enhancing patient compliance and comfort, extending the life cycle of existing drugs, and reducing the total cost of treatment.

Founded in 1977 in France by Gérard Leduc, its current CEO, and Patrice Debregeas, Ethypharm is today a global company which employs 810 people in several production and/or R&D facilities based in France, Canada, China and India. Ethypharm presents a fully integrated business model, servicing client needs from R&D - with the development of patented drugs and technologies¹ - to the registration and manufacturing of turnkey products, approved by the regulatory bodies and ready to be marketed. The company’s portfolio currently comprises of approximately 50 products sold to more than 140 customers worldwide.

Alongside Astorg Partners, Ethypharm will seek to consolidate its world leadership in oral DDS through its strategic focus and dedication to innovation. It will also deploy an ambitious double strategy to improve its presence in North America, and to provide drug delivery solutions to the rising biotech drugs market.

Gérard Leduc, co-founder, Chairman and CEO of Ethypharm, said: “we develop, register and manufacture drugs in a better, more effective and economic way, all to the benefit of patients, healthcare professionals and regulatory bodies. We are proud to have brought Ethypharm, a French private company, to a global leading position. With the management team, we are delighted to partner with Astorg in Ethypharm’s capital: this will enable us to seize opportunities within our fast growing field of advanced pharmaceutical technologies. ”

Patrice Debregeas, co-founder of Ethypharm, said: “I am very proud that Ethypharm has achieved a strong global presence in drug-delivery since its founding in 1977. This could not have happened without the terrific contribution of its employees, its customers and its management, and I wish to extend my heartfelt thanks to all who have made Ethypharm what it is today. I am confident that Astorg will help Ethypharm become even more successful in the future.”

¹ modified release platform-MULTICAP, Quick dissolve & taste masking-FLASHTAB, enhanced absorption-DRUGSOL

Thierry Timsit, Managing Partner at Astorg Partners added: “we are very happy to be making this acquisition, alongside Ethypharm’s management and employees. Ethypharm, with its technological expertise and the outstanding quality of its staff, is ideally positioned to take advantage of the steady growth of the generic drugs market worldwide. We are looking forward to working with Ethypharm’s management team to expand the company’s footprint both geographically and on the promising market of biotech therapies.”

Astorg Partners

Astorg Partners is an independent fund management company, specializing in French mid-market buyouts. It currently manages over € 1 billion of capital.

Astorg Partners seeks to partner with successful and entrepreneurial management teams, to acquire businesses with attractive growth prospects, which Astorg will support through the provision of experienced governance and adequate capital. Astorg enjoys a distinct entrepreneurial culture, a lean and local decision-making body enhancing its reactivity, and a true commitment to its partnering management teams.

*Although clearly a multi-sector investor, Astorg Partners has developed a strong industry expertise in the distribution (Sephora, Marc Orian, Frans Bonhomme, Picard Surgelés, Un Jour Ailleurs), **healthcare** (Sebia, Pasteur-Cerba), and professional services (Lowendal Group, RLD, CIS, Geoservices, Staci) sectors.*

Astorg Partners closed 52 transactions over the last fifteen years, yielding an annual return (IRR) of over 30% on realized investments.

Visit www.astorg-partners.com for more information.

Deal participants

Astorg: Thierry Timsit, Christian Couturier, Olivier Binet
Sofina (limited partner of the Astorg funds): Xavier Coirbay, Victor Casier

List of Advisors

Acquirer

Legal Advisor:	Bird & Bird : Marc Baffreau, Cristian Rawlins, Hervé Pillard, Sandra Matas
Tax:	Bird & Bird : Anne Quénédey, Carolle Thain-Navarro
Financial:	KPMG : Axel Rebaudière, Christophe Moreau
Strategic and Market:	Smartpharma : Jean-Michel Peny Estin : Christophe Moret
Legal and Tax:	Ernst & Young : Valérie Tandean de Marsac, Nathalie Pagnon
Intellectual Property:	Bird & Bird : Paule Drouault-Gardrat, Juliette Peterka
Industrial:	PhR consultant : Philippe Reulet
Insurance:	AON : Nicolas Mason

Sellers

M&A:	HSBC : Jean-Louis Paquement, Cédric Aymard, Charles Picq ABN Amro Corporate Finance: Jean-Marc Dayan, Gilles Latouche
Legal Advisors:	LMT Avocats: Antoine Lemétais, Christel Ciantar Devise Viguié & Schmidt : Nicolas Viguié Salans : Pascal Chadenet
Financial:	Deloitte : Guillaume Cornu, Damien Mignot, Martial Lauby
Strategic:	Arthur D Little : François Deneu
Environment:	URS

Management

LMT Avocats: Antoine Lemétais, Gilles Vanlerberghe
Wagram Corporate Finance: Paul Le Clerc

Acquisition finance

Senior Debt:	Bank of Ireland: Jean-Marc Barrabès, Mounia Benchekroun
Mezzanine:	ICG: Benoît Durteste, Mathieu Pinson
Legal Advisor:	Weil, Gotshal & Manges: Jonathan Nabarro, Benjamin Dahan

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