

**1 April 2016**

### **New Zealand Pharmaceuticals Secures New Investment To Continue Expansion**

Direct Capital, through its Direct Capital III and Pohutukawa I funds, today announced that it has completed the sale of its shareholding in New Zealand Pharmaceuticals (NZN).

NZN is a specialist manufacturer of pharmaceutical intermediates and diagnostic products for some of the world's leading pharmaceutical and biotechnology companies. NZN's core competence is in the manufacture of natural biochemicals under Good Manufacturing Practice (GMP) conditions which ensures its products conform to pharmaceutical industry quality assurance standards. Almost all of NZN's revenues are achieved from export markets.

Direct Capital acquired its 51% shareholding in 2005 and since then NZN has undertaken significant investment both in terms of its R&D capability, particularly with the acquisition of Dextra Laboratories in the UK in 2009, and in its GMP manufacturing facilities to increase capacity and technical capability. Over this time the business has achieved an attendant step change in its size, profitability and market position.

Australian based Archer Capital has acquired Direct Capital's interest in the business with a large number of employees, including CEO Andy Lewis and the Senior Management Team, investing alongside Archer. Long standing directors of NZN, Richard Garland, Barry Old and Graeme Milne remain on the Board and also retain a significant investment in the business. NZN's expansion strategy will continue with Archer planning to invest further in the company to enable it to continue its strong growth of recent years and to capitalise on its recent advances in bile acid chemistry.

While the terms of the sale remain confidential the investment has been very successful for Direct Capital's investors.

#### **Contacts**

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