

TLG Capital Press Release
8th September 2009

UGANDAN PROJECT ATTRACTS INVESTORS

*TLG Capital buys a stake in joint venture between Cipla Ltd India and Quality Chemicals Ltd
Uganda*

Newly formed TLG Capital is defying the economic downturn with its first investment in **Quality Chemicals Industry Ltd (QCIL)**. This will be followed by further investments of deploying intelligent capital in frontier markets. Quality Chemicals Ltd (QCL) joined forces with **Cipla** to launch QCIL – the first pharmaceutical company manufacturing antiretroviral (ARVs) and anti-malarial drugs in Africa. With the full support of the Ugandan Government, QCIL is set to produce 6 million tablets per day in the near future.

QCIL has constructed a £20 million plant in Kampala, Uganda which has been licensed by the National Drug Authority. The company has also been vetted by the International Committee of the Red Cross (ICRC) and pre-qualified by Drugs for Neglected Diseases initiative (DNDi) ensuring buy in from these organisations.

Despite difficulties in the world financial markets and a general slowing of private equity investment into Africa, QCIL has emerged ahead of the game with a sale of a structured transaction to an international investor group - TLG Capital. TLG Capital was set up to invest and work with companies in frontier markets that have often evaded the radar of international based dedicated Africa funds.

Zain Latif, Principal of TLG Capital says: “For us, QCIL remains one of the most promising opportunities in the East African region. The production of key ARV and ACT drugs combined with the strength of management has convinced us of the long-term potential of the plant. From the beginning, we share the same goals as management and we are closely working together to realise the great vision we have for the company.

“Fundamentally QCIL is the epitome of what TLG Capital stands for. We want to focus on ‘being the solution’ as opposed to ‘talking about a solution’. Intelligent deployment of

capital with an ethical angle and focusing on maturing indigenous businesses will do more for Sub-Saharan African development than any other measure.”

Zain Latif has a unique insight into the African Markets gained through his experience stretching from HSBC to Merrill Lynch and most recently at Goldman Sachs where he was involved in Emerging Markets, particularly Africa.

Frederick Mutebi Kitaka, Chief Financial Officer of QCIL comments: “This project will result in significant positive changes in our country from disease control to price reduction in ARVs and anti-malarial medication. As a joint venture, it will gain from the manufacturing expertise of Cipla and the pharmaceutical management and distribution expertise of QCL. We have received a great amount of support from the Government at every step and we can proudly say that we have found an African solution to an African problem.”

TLG Capital was represented by **Latham & Watkins**, with a deal team led by **Craig Stoehr** from the firm's Doha, Qatar office. Stoehr says:

"Given our extensive experience in the global pharmaceuticals industry as well as our experience in sub-Saharan Africa, we are pleased to have advised TLG Capital on this important transaction, and are proud to be involved with such a worthwhile business. TLG Capital's investment in QCIL provides further financial and board-level management support that will help the company build on its accomplishments thus far."

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More information about the investment can be found here:

<http://www.qcil.co.ug/>