

Press release



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Probio ASA and Medikalla Oy to make a new joint venture in Seinäjoki!

Probio ASA, a Norwegian dietary supplement contract manufacturer and Medikalla Oy, a Kuopio based pharmaceutical service company have decided to establish a new joint venture company Finbio Oy. Probio will own 60 % and Medikalla 40 % of the new venture, Finbio Oy. Medikalla's Seinäjoki pharmaceutical contract manufacturing facilities will be transferred to new Finbio Oy on 1st May 2008.

Originally the production plant in Seinäjoki was a pharmaceutical plant of Orion Oyj. All personnel of Medikalla production plant will be transferred to Finbio Oy and their employment will continue uninterrupted. Currently about 28 people are working at the plant. Current annual revenues of Seinäjoki production are about €1,8 million annually.

The purpose of this merger is to strengthen the competitiveness of the pharmaceutical and dietary supplement contract manufacturing and to provide a new platform to expand the contract manufacturing business. The new company can offer broader and more versatile services to both pharmaceutical and dietary supplement companies and it is stronger to meet international challenges and competition.

Mr. Stein Ulve, Chairman of the Board in ProBio ASA is excited about this opportunity to expand the Probio ASA's international presence in EU area and with pharmaceutical clients by this joint venture and to bring new business to Seinäjoki. FinBio Oy plans to upgrade the production capabilities and will also seek commercial opportunities for a new innovative administration form for pharmaceuticals and nutraceuticals, which has been developed by ProBio ASA under the name GelCube.

Medikalla Oy's managing director, Tuija Keinonen is also happy about this new opportunity to strengthen the contract manufacturing business of Seinäjoki plant. Medikalla wish to focus on its contract research business and resources required to grow the business. This joint venture gives an opportunity to share risks and benefit from mutual synergies in pharmaceutical and dietary supplement service businesses.

Medikalla is a Kuopio based pharmaceutical service company providing clinical research and regulatory affairs services (CRO), pharmaceutical product development and analytical services. Medikalla was established in 1987 and its annual sales were about 8 million Euros in 2007. The company has offices in Estonia, Latvia and Lithuania. Read more at: www.medikalla.fi

Probio ASA is based in Tromsø, Norway and is a leading provider of customer ready nutraceuticals and dietary supplements world wide, with a particular strenght in Omega-3 based products. The company was established in year 2000 and in 2008, sales are expected to be approximately 20 million Euros. Read more at: www.probio.no

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