

Vaccine availability

OBP is currently undergoing recapitalization with the objective of obtaining current Good Manufacturing Practice (cGMP) in the not too distant future. National Treasury provided funding for three years for this project, which started in 2012/13.

The project consists of three components:

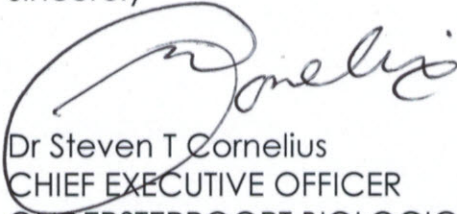
1. Upgrade and modernization of the infrastructure and equipment;
2. Improving production processes; and
3. Training of staff.

This is a major undertaking, which will improve OBP's ability to serve the local and international markets but will inevitably cause disruptions in production. It is similar to fixing a vehicle whilst the engine is still running.

Replacing old equipment with new ones is almost complete and the company is now reviewing and improving production processes to increase vaccine yields. Changing from old to new processes has its own inherent risks and requires loads of troubleshooting to tweak the system for optimal functioning. The availability of African horsesickness, Bluetongue, B-Phemeral, Brucella S19 and Rift Valley Fever (inact) are accordingly affected. Indications thus far are that some of the major issues have been resolved and that the products mentioned will again be available from October 2014.

OBP is committed to producing quality vaccines efficiently and we are of the opinion that this investment will benefit all stakeholders. Our sincere apologies for any inconvenience caused and should you need further clarification please do not hesitate to contact Dr Jacob Modumo @ 0125221518 or 0825741115.

Sincerely



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