

## Mylan buys Strides Acrolab's Agila for \$1.6 bn cash

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**Bangalore:** Mylan has signed a definitive agreement with Strides Arcolab to acquire its generic injectable products unit, Agila Specialties, for \$1.6 billion in cash. The acquisition will significantly expand and strengthen Mylan's global injectables platform and facilitate its entry into new high-growth geographic markets.

The acquisition is expected to be immediately accretive to Mylan's adjusted diluted earnings per share following closing. The transaction is expected to close in the fourth quarter of 2013, subject to regulatory approvals and certain closing conditions.

The agreement also provides for up to an additional \$250 million in potential payments subject to the satisfaction of certain conditions by Strides. Mylan is not assuming any outstanding debt or acquiring the business's cash as part of the transaction. Mylan has obtained a commitment letter from Morgan Stanley for a new \$1 billion senior unsecured bridge term loan in connection with the planned acquisition. While Morgan Stanley is serving as financial advisor to Mylan, Skadden, Arps, Slate, Meagher and Flom is acting as overall legal advisor, assisted by Slaughter and May and Platinum Partners.

Agila, headquartered in Bangalore, India, will bring Mylan a broad product portfolio of more than 300 filings approved globally and marketed through a network covering 70 countries, including 61 abbreviated new drug applications (ANDAs) approved by the US FDA.

Agila has a global pipeline of approximately 350 filings pending approval, including 122 ANDAs pending FDA approval. Agila's capabilities complement Mylan's existing injectables platform of more than 500 products marketed globally, including 55 ANDAs, and its high quality sterile manufacturing facilities in Ireland and India.

Agila's R&D and regulatory track record are reflected in its industry-leading number of approvals and fast approval timeframes. The company currently produces products across nine high-quality manufacturing facilities in India, Brazil and Poland, eight of which have been approved by the FDA. Agila's manufacturing capabilities include vials, pre-filled syringes, ampoules, lyophilization, cytotoxics, and antibiotics. Agila's manufacturing base represents one of the largest steriles capacity in India and one of the largest lyophilization capacities in the world.

Mylan CEO Ms Heather Bresch commented, "The addition of Agila to our existing injectables platform will immediately create

a new, powerful global leader in this fast-growing, attractive market segment and accelerate our target of becoming a top-three global player in injectables. Further, the acquisition of this unique asset delivers on several of Mylan's strategic growth drivers by further expanding and diversifying our product portfolio and geographic reach, strengthening our presence in the institutional channel, and positioning us to maximize our generic biologics portfolio. Agila's broad product portfolio and pipeline, which is very complementary to Mylan's, is the result of best-in-class research and development and an industry-leading track record of securing product approvals."

Mylan president Mr Rajiv Malik added, "By combining Agila's strong injectables capabilities with Mylan's powerful global engine, we will catapult our injectables business to a new level. Agila will bring Mylan one of the deepest and broadest global injectables portfolios in the industry, and together we will have more than 700 marketed injectables products and a global pipeline of more than 350 injectables products pending approval. In addition, Agila will further expand Mylan's geographic footprint, providing us with entry into key growth markets, such as Brazil, and position us to leverage our global portfolio in these exciting markets, in line with our mission of providing the world's seven billion people access to high quality medicine."

Mylan CFO Mr John Sheehan said, "This is a financially and strategically compelling transaction, which is consistent with Mylan's stated acquisition strategy and financial commitments. We anticipate that the acquisition will immediately enhance our revenue and earnings growth upon closing, and nearly double our business from injectables in the first full year. Further, this transaction will significantly accelerate achievement of our \$1 billion target for our institutional business. Following this transaction, we will maintain pro forma leverage well within our investment-grade parameters, providing us with ample financial flexibility to execute on other opportunities to accelerate our long-term growth targets and continue to maximize shareholder value. We remain committed to maintaining our investment-grade credit profile."

Commenting on the transaction, Mr Arun Kumar, executive vice chairman and Group CEO of Strides Arcolab, said that, "Our investments in the Agila business, together with the operational excellence of our employees, have led to the creation a global, high-quality specialty injectables business with an industry-leading pipeline and best-in-class infrastructure. We believe Agila, its partners, customers and employees across all of its markets will benefit significantly from Mylan's global reach and strong position in the global generic and specialty pharmaceutical sector. I am excited by the combination of our Agila business with Mylan as it allows Mylan to leverage its operational base to become a leading global injectables company in the coming years and offers great opportunities to the employees who have made Agila what it is today. Mylan's long-standing commitment to quality, its track record of integrity and reliability, and powerful global platform make Mylan the perfect fit for this business, both culturally and from a commercial perspective."