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German firm buys $200 mn stake in Indian generic company

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Singapore: Gland Pharma, a leading Indian pure-play generic injectable pharmaceutical products company, has signed an agreement under which KKR, a global investment firm, will acquire a minority stake in the company for approximately $200 million, including KKR's acquisition of the entire stake held by Evolvence India Life Sciences Fund (EILSF), an existing private equity investor in Gland Pharma.

Established in 1978 and based in Hyderabad, Gland Pharma develops and manufactures generic injectables primarily for the US market, and also for India and other semi-regulated markets. In 2003, Gland Pharma was the first company in India to get US FDA approval for pharmaceutical liquid injectable products. Gland Pharma has also pioneered pre-filled syringe technology in India and exports products in this format to the US market. Having pioneered Heparin technology in India, Gland Pharma has a strong position in the US market for that product through its marketing partner.

Mr PVN Raju, chairman, Gland Pharma, said that, "Gland Pharma is at an important juncture in its evolution where we have proven our sterile manufacturing capabilities, established ourselves as a high-quality manufacturer of complicated injectables products and achieved a track-record of strong financial performance. Our partnership with KKR will help us in our next phase of growth as we look to materially expand our manufacturing capacities and invest more in our development work with the goal of expanding our product registrations." Mr Raju also said, "We thank the Vetter family of Ravensburg, Germany, who are investors in Gland Pharma, for inspiring Gland Pharma in the niche field of pre-filled syringes. Vetter Pharma, owned by the Vetter family, enjoys a pre-eminent position globally in the field of pre-filled syringe technology."

Gland Pharma vice chairman and MD, Dr Ravi Penmetsa, added, "We are very excited about the Company's future given our strong pipeline of innovative injectable products that are awaiting FDA approval. In addition to securing growth capital, we look forward to leveraging KKR's global network of relationships to help enter new markets." Dr Ravi also said, "We wish to thank Evolvence India Life Sciences Fund for its contribution in positioning the Company on an impressive growth trajectory, aided in particular by the team's pro-active engagement with the Company in addition to the capital invested."

Commenting on the agreement, KKR India CEO Mr Sanjay Nayar, said, "Gland Pharma has a track record of strong financial performance as well as long-standing relationships with Indian and international pharmaceutical companies and we believe

there is significant potential for it to grow these partnerships even further. We are excited to invest behind a high-quality promoter family and management team led by Dr Ravi. We look forward to working closely with them to help build out the business and create value for all stakeholders."

KKR's investment in Gland Pharma represents its fourth announced investment from the KKR Asian II Fund and its second overall private equity investment in India in 2013. The transaction is subject to regulatory approvals and other customary closing conditions.