

Strides Shasun makes significant acquisitions in Kenya and Australia

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Strides Shasun Limited has signed definitive agreements to acquire a controlling stake in Universal Corporation Limited (Universal) in Kenya. The transaction is subject to statutory approvals & customary closing conditions and expected to be close by June 30, 2016.

Strides Shasun's African business currently has a strong foothold in West and French Africa. With this acquisition, Strides Shasun will get a strong foothold in the key East African markets and will complement its current capacities of 6 strategically located plants across major geographies in Sub Saharan Africa.

Universal, a Nairobi based pharmaceutical manufacturing and marketing company is strongly entrenched in the East African territory with its front-end business and has supply contracts with key donor agencies. Universal's facility is one of the only two WHO Pre-Qualified sites in Sub-Saharan Africa, other than South Africa.

The current management team of Universal will continue to drive the business, with technical support from Strides Shasun. Strides Shasun plans to transfer several strategic institutional products to this facility as Donor & government procurement agencies have a preference for 'Made in Africa' products.

Under the terms of the agreement, Strides Shasun will hold 51% of the issued capital of Universal and the remaining 49% will continue to be held by the current promoters. This is an all - cash deal & the total consideration will consist of initial pay out of USD 11 Million and a performance related earn out capped at USD 3 Million for achieving an EBITDA of USD 2.95 million for 2015. The acquisition shall be made through Strides Pharma (Cyprus) Limited, a wholly owned subsidiary of the Strides Shasun.

Strides Shasun has also signed definitive agreements to acquire a strategic stake in Generic Partners Holdings Co Pty Ltd, an Australian pharmaceutical supply and research company. The transaction is subject to statutory approvals & customary closing conditions and expected to close by April 30, 2016. The acquisition shall be made through Arrow Pharmaceuticals Pty

Ltd, a wholly owned subsidiary of Strides Shasun.

The acquisition provides Strides Shasun immediate access to 47 commercialised marketing authorizations making Arrow the second largest generic pharmaceutical products company in Australia with a portfolio of over 180 molecules. The acquisition also provides access to 22 registrations pending approval with TGA and strong pipeline of 32 molecules including host of drugs going off patent in future.

Going forward Arrow will consolidate its R&D initiatives for the Australian market under Generic Partners, leveraging its strong product development and registration capabilities. Generic Partners is one of Australia's leading B2B suppliers of generic pharmaceuticals. The business will continue to work independently with all its existing supply partners and customers using the additional resources of Strides Shasun to build a stronger supply channel for the Australian market.

The current management team of Generic Partners led by its CEO and Managing Director Sanjiv Puri will continue to manage the business independently. Under the terms of the agreement, Strides Shasun will hold 51% of the issued capital of Generic Partners and the remaining equity will continue to be held by the current promoters. This is an all-cash deal for an upfront consideration of AUD 15 Million and a commitment of AUD 10 Million to fund future R&D.