



Press Release

Monday, July 21, 2014

Strides Arcolab acquires 'Raricap' and India Branded Generic Business of Bafna

- **Picks up global rights for flagship brand 'Raricap'**
 - **Agreement to boost India Brand Business of Strides Arcolab**
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July 21, 2014: Strides Arcolab Limited (Strides) today entered into an agreement with Bafna Pharmaceuticals Limited to acquire majority stake of their India Branded Generics Business for a cash consideration of Rs. 481 Million. The transaction is expected to close by end of September 2014 and is subject to customary closing conditions and statutory approvals.

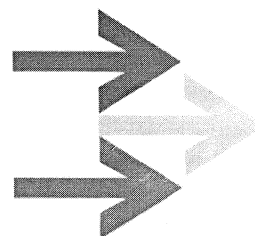
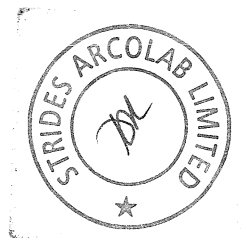
Raricap, the flagship brand of Bafna, is the 8th largest in oral Haematinic segment in India with 8 SKU's in oral an liquid forms with an annual revenue of Rs. 200 Million. Raricap was acquired by Bafna from Johnson & Johnson in the year 2011 and has grown at CAGR of ~ 64% in last 3 years.

Transaction structure

- The India Branded Generics Business of Bafna is valued (Enterprise value) at Rs. 650 Million
- The Business in its entirety will be transferred to an SPV, in which Strides will hold 74%
- Strides to pay a consideration of Rs. 481 Million in cash to Bafna and balance as 26% equity participation in the SPV.
- The IPs and manpower will be transferred to the SPV as part of the business transfer
- Bafna will continue to manufacture these products for the SPV
- The SPV will have global rights for Raricap brand

Strategic Rationale

- Strengthen the Women & Child care portfolio of Strides' branded generics business
- Bafna's pan India reach to aid Strides' biggest brand Rernerve's entry in new market segments
- Strides's strong South India Presence to help Raricap reach a higher patient base



Commenting on the development, Mr. Arun Kumar, Founder and Group CEO of Strides Arcolab Limited stated, "This acquisition provides necessary impetus to our domestic branded generics business and the transaction is in line with our strategy to grow the company's branded business. The transaction will strengthen our reach to newer markets with a wider portfolio of products".

About India Branded Generics Business of Bafna

India Branded Generics Business of Bafna is engaged in sales and marketing of branded pharmaceuticals products in niche therapeutic segments i.e., Haematinic, Women healthcare, Pediatric care in India and the Business includes the flagship brand 'Raricap'. The Business has presence in 17 states in India with a field force of about 400 people, had revenue of Rs. 246 Million for the financial year ended March 31, 2014.

About Strides Arcolab

Strides Arcolab, listed on the Bombay Stock Exchange Limited (532531) and National Stock Exchange of India Limited (STAR), is a global pharmaceutical Company headquartered in Bangalore, India that develops and manufactures a wide range of IP-led niche pharmaceutical products.

The Company has 5 manufacturing facilities presence in more than 75 countries in developed and emerging markets.

Additional information is available at the Company's website at www.stridesarco.com.

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