

## Strides to acquire Aspen in Australia

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Strides Arcolab has announced that Strides Pharma Global, Singapore and Strides Pharma, Australia, both wholly owned subsidiaries of Strides Arcolab have signed definitive agreements with certain wholly owned subsidiaries of Aspen Pharmacare Holdings, to acquire a generic pharmaceutical business in Australia together with certain branded pharmaceutical assets. The company is listed on the Johannesburg Stock Exchange (Aspen).

The business and assets being acquired from Aspen have a current prescription market share that will rank Strides and its group entities as one of the top three generic pharmaceutical suppliers in Australia and among the top ten pharmaceutical companies in the Australian pharma market.

The business, which will operate under the Arrow Pharmaceuticals brand, will sell approximately 140 generic prescription drugs and an extensive range of non-prescription pharmacy products. The business and the assets being acquired will give Strides group one of the largest pharmaceutical product portfolios in the Australian market.

Strides' previous business in the Australian generic pharmaceutical market, Ascent Pharmahealth, was sold to Actavis in January 2012 after a successful 5-year investment and growth strategy. The new Arrow Pharmaceuticals business will be led by Dennis Bastas, the previous founder and CEO of Ascent Pharmahealth.

"The Australian generic pharmaceutical market has always been very successful for Strides. The Aspen Australian generic pharmaceutical assets are a valuable and unique platform for Strides to re-build its business in Australia. Strong local management, a market leading product portfolio supported by our in-house cost effective manufacturing, will be the key ingredients of our strategy for Australia," said Mr Arun Kumar, founder and Group CEO of Strides Arcolab.

The acquired products had sales of approximately A\$120 million in the past financial year (June 2014) with an EBITDA margin of approximately 31 percent. The consideration for the acquisitions will be approximately A\$380 million (approx. \$297

million). The acquisition of the business will include access to the product pipeline that was under development by Aspen and includes a number of major product launches in the next six months.

The transactions will be financed by a combination of internal accruals and debt financing. It will be EPS accretive immediately.

The transactions are expected to close by the end of Q2 FY16 subject to customary closing conditions and regulatory approvals.