

Strides Shasun to acquire controlling stake in Universal Corporation, Kenya

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

Strategic Rationale:

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. Acquisition to be EPS accretive immediately

Transaction terms & Structure:

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.

Commenting on the development, Sinhue Noronha, CEO – Emerging Markets of Strides Shasun said that "The acquisition will help strengthen Strides Shasun' s business prospects in East Africa and offer additional capacity to support future growth in this region. The acquisition is in line with the Company's focus of creating a leading branded generics and generics platform in Africa under the Company's strategy of "In Africa, For Africa".