

MEDIA RELEASE



In case of any enquiry / clarification, please contact Mr. Jayesh Desai on +91 9824501396

Torrent to Acquire Branded Business of India and Nepal from Unichem

Mumbai, 3rd November, 2017: Torrent Pharmaceuticals Limited (“Torrent”) and Unichem Laboratories Limited (“Unichem”) today announced that Torrent has entered into a definitive binding agreement with Unichem to acquire its branded business of India and Nepal (“India business”) for a consideration of Rs.3600 Crores (Three Thousand Six Hundred Crores only), pursuant to the approval from the Board of Directors of the company earlier today.

Unichem's India business comprises of a portfolio of more than 120 brands in India and Nepal, manufacturing plant at Sikkim catering to these markets and all the employees engaged in the said business.

The transaction is ongoing concern basis by way of Slump sale.

Torrent will fund the acquisition through a mix of internal accruals and bank borrowings.

Unichem will continue to have greater focus on international business comprising of manufacturing, selling and marketing of fixed dosage formulation and API. It will also continue to build a sustainable revenue stream by investing in R&D to develop its future product pipeline.

This will be Torrent's fifth acquisition in India after acquiring the selected brands of Elder and Novartis, as well as Manufacturing Plants from ZygPharma and Glochem Industries Ltd. in the last four years.

In 2014 Torrent acquired a set of Elder brands. This was an important step in Torrent's growth journey. These brands have been successfully integrated. Over a period of three years, the acquired Elder brands has clocked a CAGR of 23% against the representative market growth of 11%. Shelcal and Chymoral the flagship brands acquired, have reached newer heights by crossing the 300cr and 100cr mark respectively and have been increasing their market shares consistently.

With this deal, Torrent will enter the list of top pharma firms in the Indian Pharma market (IPM) and will be ranked No 5 in the IMS. The acquisition helps Torrent to consolidate its market share in terms of sales which will increase from current 2.4% to 3.4% in the IPM.

As per the SMSRC prescription audit database, Torrent rank in terms of overall prescription in the Indian Pharma market will move from 14 to 7. Torrent will now be amongst the top 10 players in 15 out of the 20 specialties and amongst the top 5 in 7 key specialties respectively, further consolidating and improving its specialist focus.

The acquisition will add a brand of Rs. 200 Crores and three brands of more than Rs. 50 Crores, to its existing portfolio. The top brands include Losar, Unienzyme, Ampoxin, Telsar, Vizylac. In its existing key therapies, the market share in Cardiology, Central Nervous system, Gastro-Intestinal therapies will increase from 5.6% to 8.6%; 6.4% to 8.4% and 3.1% to 3.9% respectively (AIOCD dataset).

Approximately- 3000 plus employees will get added to Torrent's existing employee pool. Also the distribution reach will enhance by the addition of 2000 stockists in the country.

Corporate Office: Torrent House, Off Ashram Road, Ahmedabad- 380 009.
Phone: (079) 26599000 Fax: (079) 26582100 www.torrentpharma.com
CIN: L24230GJ1972PLC002126

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This transaction will open doors for Torrent to enter into the OTC segment with the brand 'Unienzyme' and the Company will be a dominant player in the Digestive Enzyme market and will be amongst the top three players in the segments of Anti-Hypertensive, Anti-Depressants and Tranquilizers.

“The transaction is a strategic fit for Torrent and will strengthen its position in the key segments of Cardiology, Diabetology, Gastro-Intestinals and CNS therapies. It is also expected to realize cost and revenue synergies in Torrent's branded business in India” said Samir Mehta, Chairman Torrent Pharmaceuticals Limited.

According to Dr. Prakash Modi, Chairman of Unichem Laboratories Limited, “The deal will enable the organization to deliver superior results in areas of innovative research, new chemical and biological entities and move into next the orbit of growth. Torrent, we believe is the right company as they have the expertise and right presence in the key therapies to take forward these established brands to newer heights”

The transaction is subject to customary conditions precedent, applicable regulatory approvals including Unichem's shareholders approval. The transaction is expected to close by end of the year 2017

About Torrent

Torrent Pharma, with annual revenues of more than Rs. 5,800 crores is the flagship Company of the Rs. 18,300 crore Torrent Group.

Torrent Pharma continues to be at the forefront of the Indian pharmaceutical industry with many of its products ranking amongst the top 500 brands (AIOCD AWACS Dataset) in India. Its widespread international presence also include several markets where Torrent is amongst the leading pharmaceutical companies in the respective countries.

Torrent has a fully equipped Research Centre, employing almost 900 scientists, to support the Company's operation and product pipeline for both Domestic and Overseas markets. The Company's manufacturing plants located at Indrad, Baddi, Sikkim, Dahej, Pithampur and Vizag have facilities to produce Formulation and Bulk drugs. The plants are approved by authorities from various regulated and semi regulated markets like US, UK, Brazil, Germany, Australia and South Africa.

About Unichem

Unichem Laboratories Limited is amongst the oldest Indian Pharma Company which has been able to build brands through specialty driven marketing. It is an international, integrated, specialty pharmaceutical company. It manufactures and markets a large basket of pharmaceutical formulations as branded generics as well as generics in India and several other markets across the world. In India, the company is a leader in niche therapy areas of cardiology, neurology, orthopedics and anti-infective. The company has strong skills in product development, process chemistry and manufacturing of complex API as well as dosage forms.

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