

**Press Release**

May 9, 2018

Strides Shasun Limited  
Strides House, Bannerghatta Road,  
Bangalore – 560076.

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## **Strides & Apotex agree to merge their Australian businesses**

- Strides to move to a leading position in the Australian Market
- Strides to have controlling interest in the merged entity
- Transaction to be EPS accretive for Strides Shasun from Year 1

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**Bangalore, May 9, 2018:** Strides today announced that it has agreed with Apotex, in principle, to merge their respective Australian business operations. The transaction is subject to entering into definitive agreements between the parties, satisfactory due diligence, customary closing conditions and statutory approvals, including approval of Australian Competition and Consumer Commission (ACCC).

**Background:**

- Strides is one of the leading generic players in the Australian pharmaceutical market and runs its business under the Arrow brand
- Apotex is the leading generic player in the Australian pharmaceutical market and runs its business under the Apotex brand
- Strides and Apotex today agreed in principle to merge their respective Australian businesses and operations in Australia under a new entity

**Strategic rationale for proposed transaction:**

- The Combination will enable Strides, through the merged business, to become the leading player in the Australian generic pharmaceutical market by both volume and revenue
- The proposed transaction will be EPS accretive from Year 1 through merger synergies
- The merged business will have the largest portfolio of owned product IP for the Australian market
- Potential synergies will accrue through higher volumes and improved COGS

- Strides and Apotex business will be run independently under the brands Arrow and Apotex respectively and continue to enjoy preferred partner relationship with their respective wholesalers
- The merged business will continue to be supported by Strides' and Apotex's manufacturing facilities
- The merged business will have approx. 3200 first line pharmacy accounts
- The merged business will be led by Dennis Bastas, Arrow, as Executive Chairman, Roger Millichamp, Apotex, as CEO and Andrew Burgess, Arrow, as CFO, bringing together Australia's most experienced management team with in-depth knowledge of the Australian generics market

**Transaction structure:**

- The proposed structure will be arrived through a share swap
- Detailed corporate structure will be announced on closing
- Hospital business of Apotex will not form part of the merged entity and will be retained by Apotex
- The transaction is subject to entering into definitive agreement between the parties, satisfactory due diligence, customary closing conditions and statutory approvals, including approval of Australian Competition and Consumer Commission (ACCC).

Commenting on the transaction, Mr. Dennis Bastas, Executive Chairman of Arrow, stated that "The proposed merger will provide our joint Australian customers with unparalleled service and support from the businesses with which they have chosen to partner for over 15 years".

"Once complete, our merged operation will continue to provide all of the Arrow and Apotex brands that our customers have come to know and trust, and further enhance our customer service and continuity of supply, to better help pharmacists grow their businesses. We, at Arrow, look forward to working alongside the experienced and talented Apotex team to make this a winning combination for all stakeholders," said Mr Bastas.

Commenting on the development, Mr. Roger Millichamp, CEO of Apotex Australia, said, "Both companies are currently in a strong commercial position, but will be better positioned to meet the future challenges of the Australian pharmaceutical industry following the merger. The proposed merger will take the best of both companies, optimize our shared cost base, and maintain the viability of our operations through more effective delivery of medicines and services to consumers and patients."

**Investor call:**

Strides will host a conference call to discuss this announcement. The dial-in details for the call is as under:

**Conference call details**

<b>Date:</b>	Wednesday, 09 May 2018	
<b>Time:</b>	<b>03:30pm IST</b>	
<b>Conference Call Details:</b>	Universal Access	+91 22 6280 1179
		+91 22 7115 8035
	Local Access - Available all over India	+91 7045671221
	<b>International Toll Free</b>	
	USA	18667462133
	UK	08081011573
	Singapore	8001012045
	Hong Kong	0800964448
	<b>International Toll</b>	
	USA	13233868721
	UK	442034785524
	Singapore	6531575746
	Hong Kong	85230186877

**About Strides Shasun**

Strides Shasun, listed on the BSE Limited (532531) and National Stock Exchange of India Limited (STAR), is a vertically integrated global pharmaceutical Company headquartered in Bangalore. The Company has two business verticals, viz., Regulated Markets and Emerging Markets.

The Company has global manufacturing foot print with 7 manufacturing facilities spread across three continents including 5 US FDA approved facilities and 2 facilities for the emerging markets. The Company has strong R&D infrastructure in India with global filing capabilities and a strong commercial footprint across 100 countries. Additional information is available at the Company's website at [www.stridesarco.com](http://www.stridesarco.com)

**For further information, please contact:**

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