Achieving a sharper focus for Core B2C businesses -
Diversified Markets – Fully Integrated Formulations

Carving out B2B businesses having a different orientation -
Commodity API business to be listed as a standalone business,
Sequent Scientific's Human API business to be part of the build out

Biotech business to seek shareholders’ approval to pursue independent strategy

Actions intended to enhance shareholder value -
Through highly focused and specialized management teams

Bangalore, February 3, 2017 - Post the divestment of the injectable business in the year 2013 the company completed several strategic corporate actions with a clear focus to build a vertically integrated, consumer focussed global formulations business. Moving away from its previous version of B2B businesses, the core business at Strides, now focussed on frontend businesses, is witnessing a strong growth trajectory. In line with our previous communications and to enhance shareholder value, the company is today making the following announcements:

B2C focussed - Retained Core Business of Strides Shasun Ltd
Diversified and Integrated Consumer facing Formulations Business

Company to be renamed as Strides Pharma Limited

- The foundation for Strides Shasun Version 2.0 has been laid through all the building blocks put in place by the company over the last couple of years. This has given the company critical size and helped position itself as a well-diversified, fully integrated, consumer facing formulations player with a bias towards regulated markets.
- Post the structuring, the company will operate through its 2 divisions of Regulated and Emerging Markets.
  - The Regulated Markets business will have a front-end presence across Australia, US and UK. The business will be complimented by 4 USFDA approved facilities in India, Europe and Singapore (proposed facility under construction) and 3 R&D centers with 400 scientists focused on developing an integrated portfolio targeting 25 ANDA filings per annum. Bulk of these filings will receive the API supplies from the recently acquired (Transaction expected to close in Q4 FY17) Perrigo’s US FDA approved API facility in India.

-
The **Emerging Markets** business will comprise of front-end focus markets of Africa and India and donor funded programs under the institutional franchise. While the branded generics business in Africa continues on its growth trajectory, the “**In Africa for Africa**” manufacturing strategy is getting consolidated under the recently acquired facility of Universal Corporation in Kenya. This facility will also cater to the global donor funding programs given their bias now towards local procurement through a WHO approved facility.

- The structuring is directed towards having a sharper focus on compliance, supply chain and front-ends to provide the necessary growth impetus for its consumer facing formulations business. This business is expected to have a superior margin profile, better asset turnover and a healthy return on capital.

**“In Africa for Africa” Strategy remains, Exiting the Africa generics manufacturing Business**

- Earlier strategy focused on catering the generics business through multiple boutique facilities spread across sub-Saharan Africa. With a change in regulatory landscape and growing funding for the Access markets, the company is rewiring its growth strategy to leverage the WHO approved facility acquired through the acquisition of Universal Corporation for its branded generics and Institutional business.
- Manufacturing of branded generics products to be consolidated at WHO approved Universal corporation facility in Africa. Universal corporation facility to run on a hub and spoke model catering to branded generic markets across sub-Saharan region. Increase in medical representative head count to drive higher penetration and strengthen the branded generic platform in Sub Saharan Africa.
- Universal corporation facility to be upgraded to global standards with a special focus on automation to improve efficiency in throughput to cater higher capacity requirements. Tech transfer plan to shift institutional portfolio to Universal facility currently under execution. Adherence to higher compliance standards and preference for local sourcing under donor funded programs to provide further growth impetus for the institutional business.
- The 6 generic facilities in Africa to be divested to the existing management team led by Mr Sinhue Noronha. Potential future business opportunities to be tapped through a long term manufacturing agreement with the divested entities.
- Over the last 12 months the generic manufacturing business in Africa contributed ~US$ 21 Mn in revenues with an EBITDA of ~US$ 1.4 Mn. The company expects to receive a cash consideration of ~US$ 16 Mn for the divested generic facilities.
- The transaction has been approved by the board and is subject to meeting customary closing conditions.

**Exit from Probiotic Business**

- Strides Shasun Limited acquired 51% stake in the probiotic business of Shriram Group promoted Medispan as part of the emerging OTC franchise in India in December 2015 for INR 102 Mn. The business had revenues of INR 76 Mn at acquisition.
- The business has not been able to achieve the intended strategic objectives and milestones over the last 12 months and has de-grown in revenues (Revenues at INR 58 Mn).
• The promoters of Strides Shasun Ltd will acquire the 51% stake of this business owned by Strides and the business will be managed by its erstwhile promoters (Medispan) who will drive the growth strategy for the business.
• The divestment of the probiotic portfolio will not result in any capital gain or loss for Strides Shasun limited

B2B focussed - Proposed New List Co
Creating one of the largest standalone API companies in the country
• The ever evolving regulatory landscape highlights the need for having a standalone API player adhering to a higher compliance levels. Also, being a B2B business, it needs a differentiated strategic direction to grow and deliver value.
• The company is now seeking shareholders’ approval to de-merge the commodity API business of Strides Shasun into a new listed entity. As part of the same scheme, the human API business of SeQuent Scientific Limited (a promoter owned listed company) is also proposed to be carved-out into this New Co, thereby providing critical size to this business.
• This combination will catapult the New Co to be one of the largest standalone API companies in the country. The business will create value for its stakeholders with its differentiated strategy and highly compliant manufacturing facilities.
• The API New Co will have a portfolio of DMF filings to start with and will be complimented by 5 manufacturing sites (including 3 US FDA approved facilities) having key global regulatory approvals.
• The Board has formed a Committee comprising of 3 Independent Directors to appoint Valuers, Merchant Bankers, Solicitors and other intermediaries, as may be required and also to draft / recommend the scheme of de-merger to the Audit Committee / Board of directors of the company.
• The New Co will issue shares to shareholders of Strides Shasun Limited and SeQuent Scientific Limited based on the swap ratio to be approved by the Audit Committee / Board of the respective Companies.
• The transaction was in principle approved by the Board of both the companies and is subject to approval from shareholders and meeting customary closing conditions.
• The appointed date for the Scheme of Merger will be October 1, 2017

Stelis Biopharma to pursue independent growth strategy
• Stelis Biopharma will continue to pursue a B2B business model. The company will derive income from CDMO and licensing engagements in the regulated markets and from its frontend in the emerging markets.
• The company over the last few months has been evaluating various options to demerge the biotech business. In line with company’s earlier announcements, the biotech business is being held under Stelis BioPharma to pursue an independent growth strategy and have its own resource mobilization going forward.
• The capital outlay of the business was US$ 118.8 Mn of which Strides Shasun Limited’s total capital commitment was US$ 56.9 Mn against which the company has so far invested US$ 22 Mn. GMS Holdings a strategic partner in the business will hold 25.1% for a total commitment of US$ 21.9 Mn.
• With a few molecules in the biotech portfolio having crossed the initial milestones and entering into the clinical phase and combined with the scale up in the physical infrastructure including the upcoming bio-pharmaceutical facility at Bangalore, the biotech business is entering into a high investment phase.

• Stelis Biopharma is still not ready for a separate listing yet as the commercial revenue generation is only expected to kick in significantly later and the current growth phase will require significant upfront investments.

Proposed Structure
• With the stated intent of Strides to focus on frontend facing B2C businesses the company does not plan to have further investment in any B2B businesses.

• Under the proposed structuring, Strides Shasun Limited will cap its total equity infusion at US$ 22 Mn for a significant minority stake. The remainder of the capital commitment will be funded by the promoters of Strides Shasun Limited and GMS Holdings.

• This minority investment in Stelis Biopharma is expected to benefit shareholders as it unlocks value at a later stage

• The current proposal does not require shareholder approval under the Companies Act, 2013 or SEBI (LODR) as it does not trigger the requisite thresholds prescribed therein. However, since Strides does not intend to contribute and commit any future funding in Stelis and at the same time the Promoters of Strides will be investing at a fair value in Stelis in place of Strides in future, the same would result in reduction in shareholding of Strides in Stelis over a period of time and accordingly, keeping up with the good corporate governance practices, the company will seek the approval of non-promoter shareholders of the Company for this proposal

• The transaction has been approved by the Board and is subject to approval from shareholders and meeting customary closing conditions.

About Strides Shasun Limited
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 four business verticals, viz., Regulated Markets, Emerging Markets, Institutional Business and Active Pharmaceutical Ingredients.

The Company has global manufacturing footprint with 13 manufacturing facilities spread across three continents including 5 US FDA approved facilities and 8 facilities for the emerging markets. The Company has three dedicated R&D facilities in India with global filing capabilities and a strong commercial footprint across 85 countries Additional information is available at the Company’s website at www.stridesarco.com

For further information, please contact:

<table>
<thead>
<tr>
<th>Strides Shasun</th>
<th>PR Consultancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Badree Komandur, Group CFO +91 80 6784 0747</td>
<td>Fortuna PR</td>
</tr>
<tr>
<td>Vikesh Kumar +91 80 6784 0827</td>
<td>K Srinivas Reddy: +91 9000527213</td>
</tr>
<tr>
<td>Kannan N: +91 98450 54745</td>
<td><a href="mailto:srinivas@fortunapr.com">srinivas@fortunapr.com</a></td>
</tr>
<tr>
<td>Sandeep Baid: +91 80 6784 0791</td>
<td>K Priya: +91 9535425418</td>
</tr>
<tr>
<td></td>
<td><a href="mailto:priya@fortunapr.com">priya@fortunapr.com</a></td>
</tr>
</tbody>
</table>