

Torrent to acquire Elder Pharma at \$325 mn

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Singapore: India-based Torrent Pharmaceuticals plans to acquire Elder Pharmaceuticals for approximately \$325 million. Elder's India Business comprises of a portfolio of over 30 brands with market leading products across women's healthcare, pain management, wound care and neutraceuticals therapeutic segments.

The India business is being sold amidst concern of an emerging slump in sale. The transaction will also involve the transfer of employees engaged in sales, marketing and operations of the India business.

Under the proposed transaction, Elder will continue to manufacture and supply the products at its existing manufacturing facilities for Torrent for a period of three years. Torrent would fund the acquisition value through a mix of internal accruals and bank debt.

Elder's existing brand equity in the areas of women healthcare and pain management will help Torrent strengthen its position in the Indian market expanding into these fast growing areas.

"This path breaking domestic consolidation by Torrent addresses our recent challenges and will significantly help Elder de-leverage its balance sheet. We will now focus and grow our in-licensing, anti-infectives and exports business "said Mr Alok Saxena, MD and CEO, Elder.

"The transaction is a strategic fit for Torrent and will strengthen its core prescription-based business. This acquisition strengthens our position in the women healthcare, pain management and vitamins and Nutrition segments by enhancing and accelerating market access. It is also expected to enable cost & revenue synergies in Torrent's domestic formulations business" said Mr Sudhir Mehta, chairman, Torrent Group.

The transaction has been approved by the boards of directors of both companies. The transaction is subject to customary conditions precedent including shareholder approval and applicable regulatory approvals and is expected to close in the first half of 2014.