

STRENGTHENING PRESENCE IN U.S.

# Cipla to acquire two U.S. pharma firms

## ITS SUBSIDIARY ENTERS INTO DEFINITIVE AGREEMENTS TO ACQUIRE INVAGEN PHARMACEUTICALS INC. AND EXELAN PHARMACEUTICALS INC. FOR RS.3,657 CRORE IN AN ALL-CASH DEAL

Lalatendu Mishra

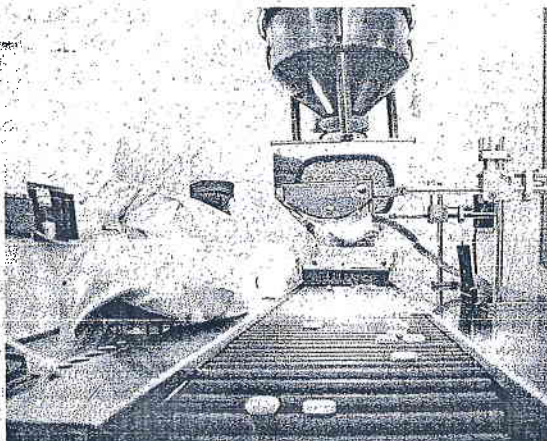
**T**o strengthen its base in the U.S. market, India's second largest pharmaceutical company Cipla Ltd., through its U.K.-based subsidiary Cipla EU, has entered into definitive agreements to acquire two U.S.-based companies namely InvaGen Pharmaceuticals Inc., and Exelan Pharmaceuticals Inc. for \$550 million (approximately Rs.3,657 crore) in an all-cash deal. The transaction is subject to certain closing conditions.

This would be the second landmark acquisition of Cipla in its 80-year history. The first being the acquisition of its South African distribution partner Cipla Medpro South Africa Ltd. in a deal estimated at around \$512 million in mid-2013.

This acquisition is aimed at providing Cipla the scale in the U.S. generics market through a wide-ranging product portfolio in central nervous system, cardio vascular system, anti-infectives, diabetes as well as other value added generics.

The combined revenue from these transactions is over \$200 million for the year ended December 2014, and over \$225 million in June 2015.

"This investment is in line with our strategy to grow Cipla's share in the U.S. pharmaceutical market. We see InvaGen as a strong strategic fit with a relevant diverse portfolio as well as a strong market and customer presence. With a local manufacturing facility, Cipla can further strengthen its presence and commitment to serve patients in the country," said Subhanu Saxena, Managing Director and Global CEO, Cipla.



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"We are delighted with the immediate and substantial relevance this combination brings to Cipla in the U.S. We are committed to an orderly transition process with customers and InvaGen to ensure the on-going continuity of a high quality and reliable supply to our customers and their patients," said Tim Crew, CEO, North America and Director of Cipla USA Inc.

With the acquisition of InvaGen, Cipla will have a large capacity manufacturing base in Hauppauge, New York and a skilled U.S.-based R&D organisation. This makes Cipla's first such presence in the U.S.

This acquisition also provides Cipla with about 40 approved Abbreviated New Drug Applica-

tions (ANDAs), 32 marketed products, and 30 pipeline products, which are expected to be approved over the next four years. They represent a balanced, diversified and growing portfolio targeting highly attractive, large and niche markets, Cipla said.

Besides InvaGen has filed five



**THIS INVESTMENT IS IN LINE WITH OUR STRATEGY TO GROW CIPLA'S SHARE IN THE U.S. PHARMACEUTICAL MARKET.**

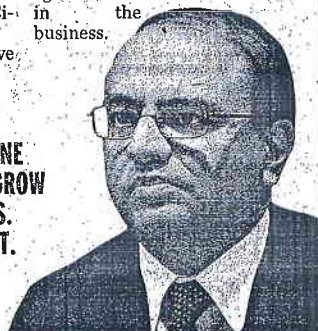
SUBHANU SAXENA,  
MD AND GLOBAL CEO,  
CIPLA

first-to-file products which represent a market size of \$8 billion in revenue by 2018. Dosage forms include immediate release, modified release and extended release tablets and capsules, it added.

InvaGen has three manufacturing units located in Long Island, New York, with a total production capacity of 12 billion tablets and capsules per annum and about 500 employees. This acquisition further provides Cipla with an access to large wholesalers/retailers in the U.S., Cipla said.

"This is an exciting opportunity for InvaGen to join with Cipla. InvaGen brings an experienced team and good manufacturing capabilities to the partnership. We are confident that the combination of InvaGen and Cipla will significantly enhance the product portfolio offering to U.S. patients," Sudhakar Vidiyala, President and CEO, InvaGen Pharmaceuticals Inc. said.

The acquisition of Exelan Pharmaceuticals provides Cipla access to the government and institutional market in the U.S. through Exelan's expertise, engagement and experienced management team in the business.



Company / M&A