Vivimed

July 31, 2013

Vivimed acquires a US FDA approved formulation manufacturing facility

Provides immediate revenue opportunities in regulated markets through two marketable ANDAs[1] and a contract manufacturing agreement with Actavis

Hyderabad, India, July 31, 2013 – Vivimed Labs Limited ("Vivimed" or the Company), a manufacturer of specialty chemicals and pharmaceuticals announced today that it has signed an agreement to acquire Actavis Pharma Manufacturing Pvt. Ltd.'s ("APMPL") solid oral dosage ("SOD") facility in Alathur, Tamil Nadu, India. The facility is being acquired from its parent Actavis Holding Asia B.V. ("Actavis"), an affiliate of Actavis Inc., a leading global generic and specialty pharmaceutical company.

Commenting on these developments, **Mr. Santosh Varalwar, Managing Director** and **CEO** of **Vivimed** said:

"We are pleased to announce the acquisition of APMPL's SOD facilities as a part of our overall strategy to move up the healthcare value chain. This acquisition is particularly important given it provides our finished dosage formulation manufacturing platform with a US FDA approved facility and immediate access to the regulated markets. There are also compelling forward integration synergies for Vivimed's existing API business[2] and formulations dossier development activities. Along with the facility, we have acquired two commercially valuable and marketable ANDAs which we believe, will allow us to generate additional revenues. We are also entering into a contract manufacturing agreement with the Actavis Group for a defined period which will also be a source of revenue for us. The transaction has been structured attractively at a low net cash consideration for Vivimed."

Overview of APMPL

Following the acquisition of Actavis by Watson in 2012, the new entity decided to divest Actavis' active pharmaceutical ingredients ("API") and SOD facilities to consolidate their overall capacities. The API facilities were previously divested in May 2013.

Vivimed has now entered into an agreement to acquire the APMPL SOD facility. As a result of significant capital investments in the past, this facility has best in class plant design, process engineering frameworks and analytical equipment. US FDA approvals were received in April 2007 with renewals in April 2009 and October 2011. The current capacity of the facility is 1.2 billion SOD per annum. The facility is located on a five acre site of which three acres are currently unutilized. Vivimed eventually plans to meaningfully expand APMPL's current manufacturing capacities over the medium term.

Strategic Rationale

This acquisition is strategically attractive given it provides Vivimed with immediate finished dosage formulations ("FDF") access to the US, the largest generics market in the world. In addition, this US FDA approved facility is a natural extension for Vivimed's manufacturing platform which currently only caters to the FDF semi-regulated markets.

[1] Abbreviated New Drug Applications
[2] Active Pharmaceutical Ingredients, manufactured at Vivimed's US FDA approved plants in Spain and Mexico

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Vivimed's dossier development capabilities will now be forward integrated with the APMPL SOD platform for manufacturing formulations. In addition, the contracted terms provide for two ANDAs (Losartan and Donepezil) to be transferred along with the sale and are expected to generate immediate revenues for Vivimed. Simultaneously, Vivimed will develop its own formulation dossiers and start building a filing pipeline with APMPL SOD as the manufacturing site. The acquisition provides immediate access to regulated markets instead of a three to four year lead time involved in undertaking a similar green-field project with the required regulatory approvals.

Vivimed views this development as a foundation for forging a deeper association with Actavis in multiple business areas in the future. Opportunities which could emerge over the longer term include Actavis' potential use of Vivimed's existing API manufacturing platform and being considered for any future ANDA divestments by Actavis.

Deal Structure

The gross acquisition consideration is Rs. 1,220 million and is being funded through an optimal combination of internal accruals and debt. The structuring is made attractive by the available cash balance and the appropriate working capital support being provided by the Actavis Group towards execution of the contract manufacturing agreement. As a part of the transaction, Actavis and Vivimed are also entering into a contract manufacturing agreement for Vivimed to manufacture a set of products for Actavis Group over a defined period.

Wadia-Ghandy has served Vivimed as legal counsel for this transaction.

Analyst & Investor Enquiries

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Safe Harbour

This release contains "forward looking statements" including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Vivimed's future business developments and economic performance. While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macroeconomic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Vivimed undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

It must be noted that the transactions referred to above will be completed only upon meeting all requisite conditions precedent in the definitive agreements and there can be no assurance that the transactions will be completed as envisaged.