KKR

Gland Pharma to be Acquired by Fosun Pharma

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KKR to Divest its Full Stake

HYDERABAD--(BUSINESS WIRE)-- Gland Pharma Limited (“Gland” or “The Company”), a leading Indian pure-play generic injectable pharmaceutical products company, today announced the signing of a definitive agreement under which Shanghai Fosun Pharmaceutical (Group) Co. Ltd. (together with its subsidiaries, “Fosun Pharma”), a leading Chinese health care provider (stock code: 600196.SH,02196.HK), will acquire an approximate 86% stake in Gland for up to US$1.26 billion.

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Based on the agreement, Fosun Pharma will purchase all shares of Gland owned by KKR Floorline Investments Pte. Ltd. (together with its affiliates, “KKR”) in addition to shares purchased from other shareholders of The Company. P.V.N. Raju, Founder of Gland, and his son, Dr. Ravi Penmetsa, will continue to be on the Board, and Dr. Penmetsa will continue as Managing Director and CEO. The family will retain a stake in Gland.

Dr. Penmetsa said, "This transaction truly demonstrates the strong expertise of our people and the potential for Indian companies to improve health care in markets worldwide. We look forward to continuing our work to research, develop and provide medical products from India and continue to add capacity at our facilities.”

KKR invested in Gland in 2014. Since then, the company has seen its capacity and profit grow significantly. This was achieved, in part, by Gland’s investment into a new manufacturing plant, significant optimization of existing facilities, enhanced R&D spend and focus, and Gland’s ability to file for and own further intellectual property.

“We have benefited from the experience of KKR, which brought the skills and expertise that enabled Gland to grow and develop as a multinational leader in health care. We achieved improved performance and look forward to building upon that foundation," Dr. Penmetsa added.

Following the close of the transaction, Gland will remain headquartered in Hyderabad.

“With a track record of achieving greater scale, innovating world-class products and operating to global best practices, KKR takes pride in its relationship with Gland and in The Company’s support of the ‘Make in India’ campaign. We are confident Fosun Pharma will experience continued success as it invests and supports Gland’s next stage of growth," said Joseph Y. Bae, Member of KKR and Managing Partner of KKR Asia.

Fosun Pharma is a leading researcher, developer, producer and retailer of biopharmaceutical products worldwide.

Mr. Chen Qiyu, Chairman of Fosun Pharma said, “We’re pleased to incorporate Gland into the Fosun Pharma family. Gland’s management team, along with support from KKR, has done a tremendous job in growing its business to become the global leader in the generics injectables industry. The deal will greatly strengthen Fosun Pharma’s global presence and accelerate our speed of internationalization. It will enable us to provide more high-quality products and services to our patients worldwide. Fosun Pharma is dedicated to implementing our investment model of ‘Combining China’s Growth Momentum with Global Resources’ with the win-win cooperation with Gland.”

Simpson Thacher & Bartlett and Cyril Amarchand Mangaldas provided legal advice to KKR and Gland. Jefferies acted as exclusive financial advisor to Gland and KKR. The transaction is subject to customary regulatory approvals.

About Gland

Established in 1978 and based in Hyderabad, Gland develops and manufactures generic injectables for use in nearly 90 countries on five continents, with a focus on the Indian and US markets. Since 1996, The Company has maintained a relationship with the Vetter family in Germany, and by 2003, Gland was the first company in India to get US Food and Drug Administration (“FDA”) approval for pharmaceutical liquid injectable products. Gland’s world-class manufacturing facilities have also received approvals from a number of key medical regulatory agencies around the globe including those in Australia, Germany and the UK, in addition to the World Health Organization (“WHO”).

About KKR

KKR is a leading global investment firm that manages investments across multiple asset classes including private equity, energy, infrastructure, real estate, credit and hedge funds. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation at the asset level. KKR invests its own capital alongside its partners' capital and brings opportunities to others through its capital markets business. References to KKR's investments may include the activities of its sponsored funds. For additional information about KKR & Co. L.P. (NYSE:KKR), please visit KKR's website at www.kkr.com and on Twitter @KKR_Co.

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