

October 24, 2018

Listing Department
BOMBAY STOCK EXCHANGE LIMITED
P J Towers, Dalal Street, Fort,
Mumbai-400 001

Code: 531 335

Listing Department
NATIONAL STOCK EXCHANGE OF INDIA LIMITED
Exchange Plaza, Bandra Kurla Complex,
Bandra (E),
Mumbai-400 051

Code: ZYDUSWELL

Re.: Press Release

Dear Sir,

Please find enclosed a Press Release titled "Zydus Wellness to acquire Heinz India, catapulting it amongst the leading consumer health businesses in India."

Thanking you,

Yours faithfully,
For, **ZYDUS WELLNESS LIMITED**



DHAVAL N. SONI
COMPANY SECRETARY

Encl.: As above

Stock Exchange Notification

This is to announce that Zydus Wellness Ltd., which spearheads the consumer business of the Zydus group, has signed Definitive Agreements to acquire the subsidiary of Kraft Heinz, Heinz India Private Limited jointly with Cadila Healthcare Ltd. This will include the brands Complian, Glucon D, Nycil and Sampreti Ghee, two large manufacturing facilities in Aligarh and Sitarganj and teams devoted to operations, research, sales, marketing and support. Heinz India also has a strong distribution network of over 800 distributors, more than 20,000 wholesalers covering 29 states.

Heinz India registered a turnover of approx. Rs. 1150 crores and EBIDTA of approx. Rs. 225 crores in 12 months period ending June, 2018. With this acquisition, the turnover of Zydus Wellness will be approx. Rs. 1700 crores, making it one of the strongest players in the fast growing consumer healthcare market. The transaction is proposed to be financed by a mix of equity and debt. Select leading private equity firms have committed to partnering the transaction by way of equity support. The transaction is expected to be EPS accretive.

The acquisition offers the right fit in terms of well entrenched brands in the fast growing categories of food, nutrition and skin care. The acquired brands have a strong market presence and have a legacy of over 50 years.

With iconic brands like Sugar Free, EverYuth and Nutralite, Zydus Wellness has a strong brand equity in the food, nutrition and skincare markets. This will be the second acquisition for Zydus Wellness following the acquisition of Nutralite, India's largest selling premium healthy fat spread, in 2006.

The Indian affiliate of the Kraft Heinz Company started operations in 1994 (under erstwhile H.J. Heinz Company) by acquiring from Glaxo's family product division and provides taste and nutrition to its consumers. Headquartered in Mumbai, it employs 900 people across its manufacturing facilities and four branch offices in key metros.

The statement shared with the media is attached herewith.

Zydus Wellness to acquire Heinz India, catapulting it amongst the leading consumer health businesses in India

- *Gains iconic brands Complan, Glucon D and Nycil, which have a legacy of over 50 years*
- *Portfolio enriched by two #1 brands in the market, Glucon D and Nycil*
- *Expands Wellness portfolio to strengthen the core business of Food and Nutrition which contributes to 80% of its revenues*
- *Will create consolidated revenues of 3x the current size*
- *Bolsters supply chain, gains ready infrastructure comprising a strong distribution network of over 800 distributors, more than 20,000 wholesalers covering 29 states.*
- *The transaction is expected to be EPS accretive*

Ahmedabad, October 24, 2018

Zydus Wellness Ltd. ("ZWL") one of the reputed players in the fast growing consumer healthcare market, announced that it has entered into a definitive agreement to acquire the subsidiary of Kraft Heinz, Heinz India Private Limited ("Heinz India"), jointly with Cadila Healthcare Ltd., at a valuation of Rs. 4595 crores. This valuation includes net working capital of Rs. 40 crores, cash of Rs. 15 crores and assumes no debt. The transaction is expected to close in Q4 FY 19, subject to regulatory approvals.

Heinz India's business comprises the brands Complan, Glucon D, Nycil and Sampriti Ghee, two large manufacturing facilities in Aligarh and Sitarganj and teams devoted to operations, research, sales, marketing and support. Heinz India also has a strong distribution network of over 800 distributors, more than 20,000 wholesalers covering 29 states. For the four brands, Heinz India recorded revenues of about Rs. 1150 crores and EBIDTA of about Rs. 225 crores for the 12 months period ending 30th June 2018. Following this acquisition, Zydus Wellness will have consolidated revenues of about Rs. 1700 crores.

The transaction is proposed to be financed by a mix of equity and debt. Select leading private equity firms have committed to partnering the transaction by way of equity support. The transaction is expected to be EPS accretive.

The acquisition has an attractive fit in terms of well-entrenched brands in the fast growing categories of food, nutrition and skin care as well as complementary distribution capabilities. The acquired brands have a strong market presence and a legacy of over 50 years. Glucon D, first launched in 1933, is the leader in the energy drinks segment in India. Complan, a household brand in the health food drink category, was introduced in India in 1969 as a milk based health food drink. Today, Complan is considered to be one of the strongest brands associated with nutrition and health benefits and has a high spontaneous recall of nearly 90% in India. Launched in 1951, Nycil is the number one prickly heat powder with a pan India presence. Sampriti, premium ghee offers immense opportunities for growth in the large retail segment.

Speaking on the development, Dr. Sharvil Patel, Chairman, Zydus Wellness Ltd., said, "This is an exciting time. This development offers immense opportunity to broaden our portfolio and invest in brands and products that we believe are most relevant to health conscious consumers. It leverages our Group heritage, innovation track record, combined brand offerings and capabilities to meet and exceed our consumers' evolving health and wellness needs. This acquisition will be an ideal addition to Zydus Wellness, supporting our aspirations to grow in the consumer wellness space by providing multiple choices to consumers. We also look forward to welcoming the employees, consumers, partners and all stakeholders of Heinz India to the Zydus family."

"For our parent company and Zydus Wellness, science and innovation have always been the strength and we strongly believe that we will further enhance value to all these marquee brands. Our ability to merge the consumer and ethical pharma offerings to create a seamless world of wellness will unlock value for these brands." Dr. Patel added.

With iconic brands like Sugar Free, EverYuth and Nutralite, Zydus Wellness has a strong brand equity in the food, nutrition and skincare markets. This will be the second acquisition for Zydus Wellness following the acquisition of Nutralite, India's largest selling premium healthy fat spread, in 2006.

How the transaction unlocks value for Zydus Wellness:

Enriches Portfolio

Zydus Wellness will be better positioned to strengthen its core business of Health Food and Nutrition, which contributes to more than 80% of its business, with Complian and Glucon-D. Along with its iconic brands Sugar Free and Nutralite, it will become a consumer wellness player with a strong equity. Nycil also complements its exclusive range of skincare products 'Everyuth'.

Expands Reach

Acquisition will create enhanced infrastructure and distribution reach which will have a combined strength of 5 manufacturing facilities, 1800 distributors and nearly 2 million customer touchpoints.

An ideal mix of science, innovation and consumer health

With a legacy of 66 years in the pharmaceutical industry, Zydus Cadila is known for its innovation and differentiated therapies. Zydus Wellness' journey in the consumer health business started with Sugar Free, a healthier substitute for sugar in 1988. Since then, the Company has been known for its differentiated products supported by evidence-based scientific value and innovation. Complian, Glucon D and Nycil align themselves with this core focus and offer immense scope for growth opportunities.

Aventus Capital acted as financial advisor to the Company and Khaitan & Co acted as the legal advisor.

About Zydus Wellness Ltd.

Zydus Wellness Ltd. (ZWL) is the listed entity of the Zydus group and is one of the leading companies in the fast growing Indian consumer health market. The company has grown over the years on the back of pioneering brands like Sugar Free, EverYuth and Nutralite and innovations offering new benefits to consumers. Sugar Free, the flagship brand of Zydus Wellness, launched in 1988, is a sugar substitute that leads the market with dominant market share. 'Sugar Free', the

largest selling sweetener brand in the country with over 93% market share, has now become more of a lifestyle brand rather than just a sugar substitute for diabetics. The skincare range of products sold under the umbrella brand 'EverYuth' has been able to retain its leadership position despite increasing competition and an influx of international brands. 'Nutralite', India's largest selling table spread has gained widespread consumer acceptance as a healthier substitute to butter.

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