

Dispatch from India

May 2015



Qutub Minar, Delhi

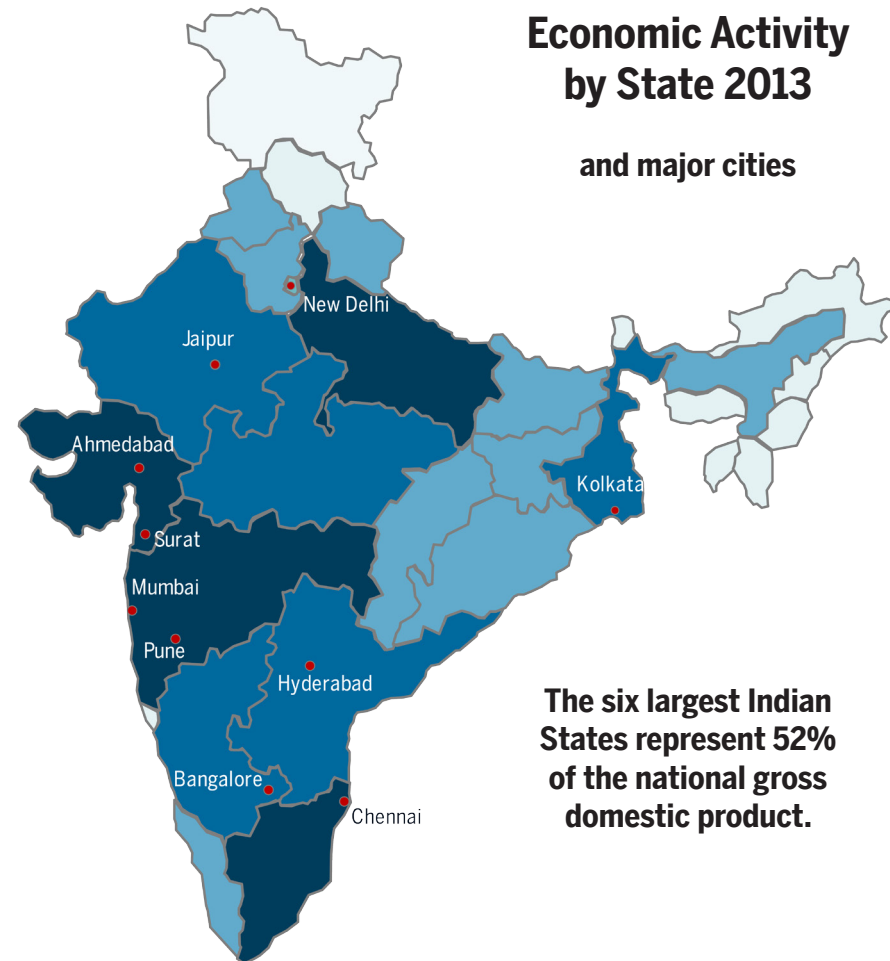
Dear Friends,

On our recent trip to India we navigated through fog in Delhi, sat in standstill traffic in Bangalore, and witnessed the spectacular expansion of the Bandra Kurla Complex in Mumbai. The excitement in the business community was palpable, with great optimism with India's new government, led by Prime Minister Narendra Modi.

India is the 10th largest economy in the world and appears to be in the midst of making a pivotal turn towards spectacular growth. The IMF released estimates predicting that India's economy will grow at 7.5% in 2015. This puts India's projected growth ahead of China's estimated growth at 6.8%, making India one of the fastest growing emerging markets in the world.

The business environment in the past couple of years has been stifled partially by the political situation. Last year, India ranked only 142nd of 189 economies in the World Bank's Ease of Doing Business rankings. However, when Mr. Modi took office as the new Prime Minister in May 2014, he pledged significant economic reform and has made it a priority to improve India's infrastructure, cut bureaucratic red tape, and rekindle foreign investments to boost growth and improve standards of living.

In January, the medical device industry was opened to unlimited foreign direct investment, a sweeping change to the industry, which previously required a lengthy process to receive prior approval from the Foreign Investment Promotion Board. This is expected to accelerate growth of domestic medical manufacturing, which is likely to transform the medical device sector, already worth \$6.3 billion, and growing 10-12% before the regulatory change.



Source: Press Information Bureau, Government of India

At the same time, the government also taken steps to stabilize inflation. Retail inflation eased from 11% in November 2013 to 5% in December 2014. Since inflation is now under control, the government has turned its focus towards economic growth. In January 2015, The Reserve Bank of India lowered its core interest rate in its first rate reduction in nearly two years.

The healthcare sector in particular, is one of the fastest growing industries in India. It is expected to grow at a compound annual growth rate (CAGR) of 20% from 2012 to 2020, reaching \$280 billion in 2020.

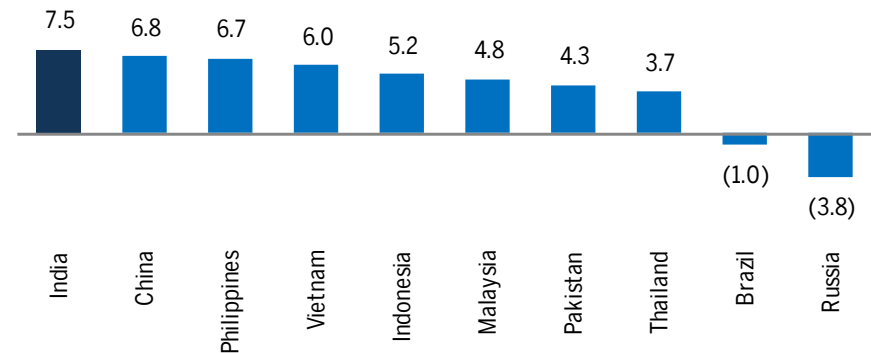
The growing and aging population, rising income, increasing health awareness, and changing attitudes towards preventive healthcare are key factors contributing to the expanding healthcare sector.

Per capita income is expected to increase at an annualized rate of 5.7% from 2012 to 2018. Per capita healthcare expenditure in India was estimated to have grown at a CAGR of 15.4% from 2008 to 2015, reaching nearly \$89 in 2015.

The private sector's share of healthcare delivery is expected to increase from 66% in 2005 to 81% by 2015. The diagnostic market is the fastest growing segment of India's healthcare industry, according to PricewaterhouseCoopers (PwC), with the segment forecasted to grow to US\$ 17 billion by 2021.

India's rising middle class will play a large part in the future of India's economy. While the middle class only represented 2% of the population in 1995, it is expected to reach 41% of India's total population by 2025.

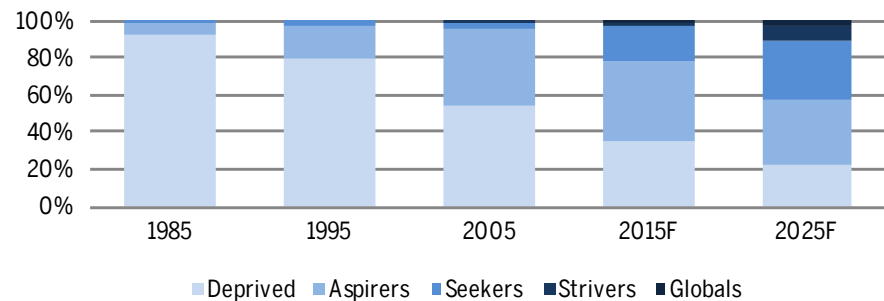
2015 Expected GDP Growth Rate (%)



India's growth rate is one of the fastest among the major emerging markets.

Source: IMF - GDP constant price

India's Rising Middle Class



India's middle class, composed of "Seekers" and "Strivers", is forecasted to reach 41% of total population by 2025.

Annual Income: global = > 1,000,000; Strivers = 500,000-1,000,000; Seeker = 200-499,999; Aspirers = 90,000-199,999; Deprived = < 90,000; 45.7 = \$1 in 2000 USD or 8.5 = \$1 adjusted for purchasing power parity

Source: The McKinsey Quarterly: Tracking the Growth of India's Middle Class

India's healthcare companies have outperformed the Bombay Stock Exchange's broad Sensex index over the past five years. In the last 12 months, our Brocair Indian Healthcare index increased 152%, owing to the new government's pro-business policies and an influx of foreign direct investment.

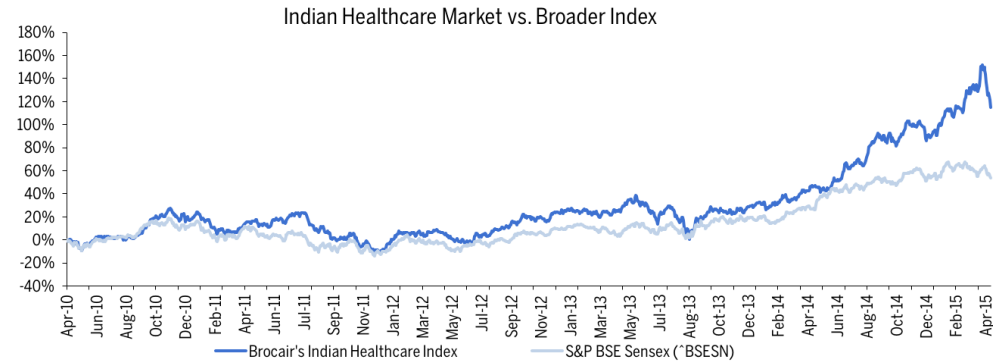
Public median valuation multiples are trading at 2.9x revenue and 17.6x EBITDA. Since 2013, these have grown by 76% and 85%, respectively. Transaction multiples are trading in a similar range with median multiples of 4.3x revenue and 15.1x EBITDA.

Brocair has spent a considerable amount of time understanding the intricacies of the healthcare market in India, and has strong relationships in the region. Over the past several years, we have been working with a number of multinational healthcare companies on their strategic acquisition programs in India, helping them to identify and evaluate appropriate Indian partners.

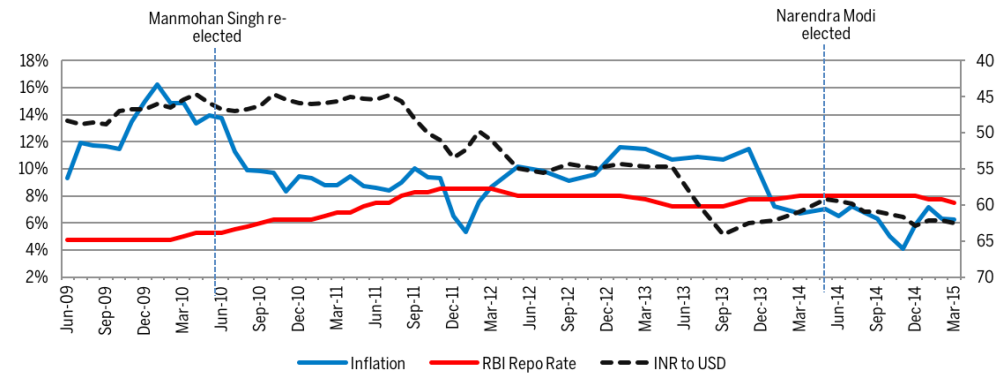
Below are some metrics on the Indian healthcare market, including public company trading multiples and recent transactions. If there is anything we can do to help with your M&A efforts in India, please give me a call.

Gregg Blake

Managing Partner
Brocair Partners, LLC
212-500-5020



Source: Capital IQ, Brocair estimates



Source: OANDA, NDTV, global-rates, inflation.eu

Publicly Traded Indian Healthcare Companies >\$30M Enterprise Value

Company	Ticker	City	Price*	52-Week		EV*	Net Debt	Market Cap	EV/Sales			EV/EBITDA		
				High	Low				FY2013	FY2014	LTM	FY2013	FY2014	LTM
Aarti Drugs Limited	BSE:524348	Mumbai	₹ 659.3	₹ 874.0	₹ 182.6	\$ 320.5	\$ 68.6	\$ 251.9	0.5x	0.9x	1.0x	4.1x	5.8x	5.4x
Abbott India Limited	BSE:500488	Mumbai	₹ 3,940.7	₹ 4,444.1	₹ 1,687.8	\$ 1,232.8	\$ -88.4	\$ 1,321.2	N/A	N/A	N/A	N/A	N/A	N/A
Ajanta Pharma Ltd.	BSE:532331	Mumbai	₹ 1,265.7	₹ 1,470.1	₹ 389.2	\$ 1,758.8	\$ 2.5	\$ 1,756.2	1.2x	1.5x	0.9x	23.7x	27.7x	18.7x
Albert David Limited	BSE:524075	Kolkata	₹ 313.2	₹ 404.3	₹ 115.5	\$ 31.0	\$ 2.8	\$ 28.2	1.4x	1.0x	1.0x	9.2x	10.9x	9.2x
Alembic Ltd.	BSE:506235	Vadodara	₹ 36.6	₹ 69.5	₹ 16.4	\$ 153.6	\$ -0.4	\$ 154.0	2.6x	2.2x	1.8x	11.1	13.0x	11.5x
Alembic Pharmaceuticals Limited	BSE:533573	Vadodara	₹ 474.1	₹ 508.7	₹ 228.0	\$ 1,410.0	\$ 0.0	\$ 1,410.0	0.4x	0.8x	0.7x	7.8x	16.1x	14.7x
Amrutanjan Health Care Limited	BSE:590006	Chennai	₹ 460.1	₹ 564.4	₹ 133.2	\$ 101.6	\$ -4.5	\$ 106.1	3.0x	2.6x	2.0x	17.0x	12.5x	9.9x
Amrutanjan Health Care Limited	BSE:590006	Chennai	₹ 460.1	₹ 564.4	₹ 133.2	\$ 101.6	\$ -4.5	\$ 106.1	2.6x	3.4x	3.3x	22.9x	18.4x	16.8x
Anuh Pharma Ltd.	BSE:506260	Mumbai	₹ 557.7	₹ 653.7	₹ 147.0	\$ 69.1	\$ -4.4	\$ 73.5	2.9x	4.1x	3.2x	11.9x	17.3x	14.0x
Apollo Hospitals Enterprise Limited	BSE:508869	Chennai	₹ 1,139.8	₹ 1,479.8	₹ 899.2	\$ 2,657.8	\$ 152.7	\$ 2,502.0	5.3x	5.6x	4.3x	22.2x	25.3x	18.9x
Arvind Remedies Ltd	BSE:531823	Chennai	₹ 15.8	₹ 66.1	₹ 10.0	\$ 123.8	\$ 106.0	\$ 17.0	0.2x	0.2x	0.3x	6.6x	7.5x	11.2x
AstraZeneca Pharma India Limited	BSE:506820	Bengaluru	₹ 882.9	₹ 1,245.0	₹ 785.3	\$ 339.7	\$ -8.6	\$ 348.2	6.5x	6.3x	4.8x	30.6x	22.4x	16.4x
Aurobindo Pharma Limited	BSE:524804	Hyderabad	₹ 1,283.9	₹ 1,432.1	₹ 575.0	\$ 6,329.6	\$ 415.1	\$ 5,914.5	1.5x	1.4x	1.0x	27.6x	25.6x	19.8x
Bilcare Ltd.	BSE:526853	Pune	₹ 49.5	₹ 111.4	₹ 40.5	\$ 349.6	\$ 331.3	\$ 18.4	0.4x	0.4x	0.4x	2.7x	3.2x	3.3x
Biocon Limited	BSE:532523	Bengaluru	₹ 452.9	₹ 553.7	₹ 402.5	\$ 1,457.1	\$ 44.0	\$ 1,402.2	0.4x	0.4x	0.3x	11.3x	9.8x	7.0x
Bliss Gvs Pharma Limited	BSE:506197	Mumbai	₹ 118.9	₹ 145.7	₹ 39.5	\$ 210.6	\$ 15.4	\$ 193.5	1.2x	2.1x	3.6x	4.4x	9.8x	17.1x
Cadila Healthcare Limited	BSE:532321	Ahmedabad	₹ 1,697.4	₹ 1,998.0	₹ 872.6	\$ 5,764.1	\$ 280.9	\$ 5,483.3	2.6x	4.6x	4.4x	15.4x	27.5x	23.6x
Camlin Fine Sciences Ltd.	BSE:532834	Mumbai	₹ 88.5	₹ 105.0	₹ 24.5	\$ 133.8	\$ 0.0	\$ 133.8	0.5x	1.5x	1.5x	3.2x	9.9x	11.1x
Caplin Point Laboratories Ltd	BSE:524742	Chennai	₹ 931.5	₹ 1,361.5	₹ 161.2	\$ 215.7	\$ -6.4	\$ 222.1	0.9x	3.2x	6.6x	4.7x	14.2x	31.3x
Cipla Limited	BSE:500087	Mumbai	₹ 637.1	₹ 752.5	₹ 368.7	\$ 8,112.6	\$ 41.8	\$ 8,070.8	3.5x	4.7x	4.8x	13.0x	22.0x	25.1x
Claris Lifesciences Limited	BSE:533288	Ahmedabad	₹ 246.2	₹ 358.0	₹ 141.3	\$ 250.9	\$ 3.0	\$ 247.9	2.5x	1.7x	2.5x	9.2x	6.8x	10.1x

Publicly Traded Indian Healthcare Companies >\$30M Enterprise Value

Company	Ticker	City	Price*	52-Week		EV*	Net Debt	Market Cap	EV/Sales			EV/EBITDA		
				High	Low				FY2013	FY2014	LTM	FY2013	FY2014	LTM
Colgate-Palmolive (India) Limited	BSE:500830	Mumbai	₹ 1,990.1	₹ 2,198.5	₹ 1,325.0	\$ 4,214.1	\$ -56.0	\$ 4,270.1	5.0x	6.3x	6.9x	23.8x	33.9x	34.7x
Dishman Pharmaceuticals and Chemicals Ltd.	BSE:532526	Ahmedabad	₹ 155.9	₹ 197.0	₹ 79.3	\$ 305.0	\$ 106.5	\$ 198.5	1.1x	1.2x	1.2x	4.8x	4.9x	5.6x
Divi's Laboratories Limited	BSE:532488	Hyderabad	₹ 1,724.0	₹ 1,968.1	₹ 1,217.0	\$ 3,523.1	\$ -87.4	\$ 3,610.5	6.5x	8.4x	8.4x	17.0x	20.7x	20.7x
Dr. Reddy's Laboratories Ltd.	BSE:500124	Hyderabad	₹ 3,308.2	₹ 3,808.8	₹ 2,250.0	\$ 9,062.2	\$ 172.7	\$ 8,889.5	3.4x	4.1x	4.0x	15.4x	16.6x	16.6x
Dr.Datsons Labs Limited	BSE:533412	Taloja	₹ 13.6	₹ 28.5	₹ 5.5	\$ 86.0	\$ 62.4	\$ 23.6	0.7x	1.1x	1.2x	3.7x	8.0x	9.1x
Elder Pharmaceuticals	BSE:532322	Mumbai	₹ 89.7	₹ 234.0	₹ 79.6	\$ 119.6	\$ 90.6	\$ 29.0	1.1x	0.4x	1.1x	6.7x	NA	NA
Emami Limited	BSE:531162	Kolkata	₹ 926.6	₹ 1,140.0	₹ 429.0	\$ 3,243.0	\$ -75.2	\$ 3,318.2	5.4x	9.1x	9.7x	26.1x	37.3x	39.2x
FDC Limited	BSE:531599	Mumbai	₹ 153.1	₹ 183.3	₹ 115.5	\$ 387.9	\$ -41.6	\$ 429.6	2.4x	2.9x	2.7x	10.3x	11.9x	11.2x
Fortis Healthcare Limited	BSE:532843	Gurgaon	₹ 155.0	₹ 184.5	₹ 97.1	\$ 1,262.9	\$ 130.9	\$ 1,131.9	2.2x	1.8x	2.7x	28.9x	NA	NA
Fulford (India) Limited	BSE:506803	Mumbai	₹ 1,494.5	₹ 2,160.0	₹ 1,100.0	\$ 70.3	\$ -21.6	\$ 92.0	NA	2.1x	2.0x	NA	NA	NA
GlaxoSmithKline Consumer Healthcare Limited	BSE:500676	Gurgaon	₹ 6,266.4	₹ 6,564.1	₹ 4,116.0	\$ 3,838.4	\$ -319.6	\$ 4,158.0	4.7x	5.5x	5.7x	26.7x	32.3x	34.9x
GlaxoSmithKline Pharmaceuticals Limited	BSE:500660	Mumbai	₹ 3,109.2	₹ 3,550.0	₹ 2,351.6	\$ 3,824.0	\$ -331.2	\$ 4,155.2	9.1x	NA	9.2x	43.2x	NA	43.9x
Glenmark Pharmaceuticals Ltd.	BSE:532296	Mumbai	₹ 890.3	₹ 940.0	₹ 510.0	\$ 4,221.7	\$ 410.8	\$ 3,810.9	3.0x	3.7x	4.1x	13.8x	17.3x	20.8x
Granules India Limited	BSE:532482	Hyderabad	₹ 82.3	₹ 104.0	₹ 33.9	\$ 324.1	\$ 58.8	\$ 265.2	0.8x	1.8x	1.6x	6.7x	12.4x	10.9x
HealthFore Technologies Limited	BSE:533525	New Delhi	₹ 41.9	₹ 64.0	₹ 16.2	\$ 74.0	\$ 68.6	\$ 5.4	14.8x	15.9x	22.8x	NA	NA	NA
Hester Biosciences Ltd	BSE:524669	Ahmedabad	₹ 600.7	₹ 740.0	₹ 86.0	\$ 88.0	\$ 7.2	\$ 80.6	1.6x	4.6x	7.6x	4.8x	12.4x	20.5x
Hikal Limited	BSE:524735	Navi Mumbai	₹ 135.8	₹ 167.0	₹ 85.4	\$ 262.6	\$ 86.5	\$ 176.1	1.8x	2.0x	1.9x	6.2x	6.8x	6.4x
Indoco Remedies Limited	BSE:532612	Mumbai	₹ 347.8	₹ 400.8	₹ 133.0	\$ 518.8	\$ 13.1	\$ 505.6	1.9x	3.8x	4.2x	12.7x	25.4x	28.2x
Ind-Swift Laboratories Ltd.	BSE:532305	Manimajra	₹ 37.4	₹ 57.6	₹ 22.1	\$ 243.0	\$ 218.9	\$ 24.1	1.0x	1.4x	1.5x	15.7x	35.4x	38.4x
Ind-Swift Ltd.	BSE:524652	Chandigarh	₹ 6.8	₹ 12.9	₹ 5.2	\$ 149.6	\$ 144.7	\$ 4.9	1.1x	1.6x	2.1x	NA	NA	NA
IOL Chemicals and Pharmaceuticals Ltd.	BSE:524164	Ludhiana	₹ 48.2	₹ 76.8	₹ 19.1	\$ 85.4	\$ 49.2	\$ 36.2	0.8x	0.8x	1.2x	4.2x	4.7x	11.6x

Publicly Traded Indian Healthcare Companies >\$30M Enterprise Value

Company	Ticker	City	Price*	52-Week		EV*	Net Debt	Market Cap	EV/Sales			EV/EBITDA		
				High	Low				FY2013	FY2014	LTM	FY2013	FY2014	LTM
Ipsca Laboratories Limited	BSE:524494	Mumbai	₹ 642.6	₹ 899.3	₹ 591.3	\$ 1,366.9	\$ 87.8	\$ 1,279.1	3.0x	2.8x	2.5x	13.2x	11.1x	9.8x
J. B. Chemicals & Pharmaceuticals Ltd.	BSE:506943	Mumbai	₹ 217.2	₹ 268.0	₹ 136.7	\$ 221.2	\$ -69.4	\$ 290.6	0.6x	1.2x	1.3x	4.5x	8.0x	8.6x
Jubilant Life Sciences Limited	BSE:530019	Noida	₹ 149.6	₹ 222.0	₹ 116.1	\$ 1,061.9	\$ 685.9	\$ 376.0	0.8x	1.1x	1.1x	4.1x	6.2x	9.9x
Kopran Limited	BSE:524280	Mumbai	₹ 49.4	₹ 72.7	₹ 32.0	\$ 52.7	\$ 20.7	\$ 32.0	0.7x	1.0x	1.0x	4.8x	7.4x	7.4x
Kovai Medical Center & Hospital Ltd.	BSE:523323	Coimbatore	₹ 574.3	₹ 693.9	₹ 150.0	\$ 123.9	\$ 24.8	\$ 99.1	1.0x	1.9x	2.2x	4.3x	8.6x	9.9x
Krebs Biochemicals & Industries Ltd	BSE:524518	Hyderabad	₹ 115.6	₹ 149.3	₹ 18.5	\$ 32.0	\$ 14.7	\$ 174	6.0x	NA	NA	NA	NA	NA
Lincoln Pharmaceuticals Ltd.	BSE:531633	Ahmedabad	₹ 78.5	₹ 118.4	₹ 33.6	\$ 34.1	\$ 13.9	\$ 20.2	0.6x	0.9x	0.8x	7.4x	9.0x	7.2x
Lupin Limited	BSE:500257	Mumbai	₹ 1,772.8	₹ 2,112.0	₹ 904.0	\$ 12,431.4	\$ -141.3	\$ 12,572.6	3.7x	5.3x	6.1x	15.4x	19.2x	21.3x
Lyka Labs Ltd.	BSE:500259	Mumbai	₹ 58.3	₹ 65.3	₹ 10.6	\$ 45.0	\$ 24.6	\$ 19.8	1.1x	2.1x	2.8x	6.6x	NA	NA
Marksans Pharma Ltd.	BSE:524404	Mumbai	₹ 57.8	₹ 75.0	₹ 20.1	\$ 390.6	\$ 16.1	\$ 373.3	1.8x	3.8x	3.1x	12.0x	22.1x	16.3x
Merck Ltd.	BSE:500126	Mumbai	₹ 839.3	₹ 1,004.0	₹ 615.0	\$ 190.1	\$ -29.7	\$ 219.8	0.9x	1.3x	1.4x	9.4x	18.6x	20.2x
Morepen Laboratories Ltd.	BSE:500288	New Delhi	₹ 15.9	₹ 18.9	₹ 3.9	\$ 126.4	\$ 13.4	\$ 113.1	1.1x	1.6x	2.1x	11.6x	11.8x	15.5x
Natco Pharma Limited	BSE:524816	Hyderabad	₹ 2,127.7	₹ 2,709.0	₹ 710.0	\$ 1,149.4	\$ 33.7	\$ 1,115.7	3.9x	6.8x	9.0x	16.7x	27.4x	36.5x
Nectar Lifesciences Limited	BSE:532649	Chandigarh	₹ 33.7	₹ 44.7	₹ 24.6	\$ 260.6	\$ 141.5	\$ 119.1	0.7x	0.9x	1.0x	3.9x	5.3x	5.4x
Neuland Laboratories Limited	BSE:524558	Hyderabad	₹ 369.2	₹ 547.0	₹ 266.8	\$ 83.4	\$ 31.6	\$ 51.7	0.9x	1.3x	1.1x	6.1x	7.8x	6.6x
Novartis India Limited	BSE:500672	Mumbai	₹ 581.4	₹ 760.0	₹ 452.6	\$ 290.3	\$ -2.9	\$ 293.2	1.4x	2.3x	2.1x	13.1x	NA	NA
Opto Circuits (India) Ltd.	BSE:532391	Bengaluru	₹ 19.5	₹ 27.1	₹ 18.2	\$ 281.6	\$ 207.2	\$ 74.4	0.7x	1.3x	1.5x	2.9x	5.8x	6.0x
Orchid Chemicals & Pharmaceuticals Limited	BSE:524372	Chennai	₹ 50.5	₹ 85.4	₹ 47.6	\$ 610.0	\$ 542.1	\$ 67.9	2.2x	NA	2.9x	38.4x	NA	50.5x
Panacea Biotec Ltd.	BSE:531349	New Delhi	₹ 138.5	₹ 219.0	₹ 97.2	\$ 307.7	\$ 172.9	\$ 133.8	2.3x	3.6x	3.6x	NA	NA	NA
Parabolic Drugs Ltd.	BSE:533211	Chandigarh	₹ 12.8	₹ 18.0	₹ 5.9	\$ 151.9	\$ 139.5	\$ 12.5	0.9x	1.9x	2.1x	NA	NA	NA
Parenteral Drugs (India) Limited	BSE:524689	Indore	₹ 21.2	₹ 38.4	₹ 16.3	\$ 94.1	\$ 84.1	\$ 10.0	1.3x	2.1x	2.3x	NA	NA	NA

Publicly Traded Indian Healthcare Companies >\$30M Enterprise Value

Company	Ticker	City	Price*	52-Week		EV*	Net Debt	Market Cap	EV/Sales			EV/EBITDA		
				High	Low				FY2013	FY2014	LTM	FY2013	FY2014	LTM
Pfizer Limited	BSE:500680	Mumbai	₹ 2,085.1	₹ 2,425.0	₹ 1,175.0	\$ 1,450.9	\$ -54.1	\$ 1,505.0	1.6x	5.2x	5.5x	8.6x	22.0x	34.8x
Piramal Enterprises Limited	BSE:500302	Mumbai	₹ 945.0	₹ 1,012.8	₹ 540.0	\$ 3,031.6	\$ 458.8	\$ 2,572.8	4.4x	3.6x	3.9x	31.5x	22.7x	23.1x
Plethico Pharmaceuticals Limited	BSE:532739	Mumbai	₹ 29.1	₹ 74.0	₹ 24.7	\$ 114.5	\$ 98.9	\$ 15.6	0.8x	0.4x	0.8x	6.0x	2.8x	5.1x
Poly Medicare Limited	BSE:531768	New Delhi	₹ 537.8	₹ 599.0	₹ 205.2	\$ 383.1	\$ 8.9	\$ 374.3	2.7x	6.0x	7.1x	10.1x	23.9x	28.6x
Procter & Gamble Hygiene and Health Care Limited	BSE:500459	Mumbai	₹ 6,838.7	₹ 7,435.0	₹ 3,315.0	\$ 3,435.3	\$ -67.2	\$ 3,502.5	5.5x	8.6x	9.8x	35.3x	41.0x	47.2x
PTL Enterprises Limited	BSE:509220	Gurgaon	₹ 35.0	₹ 53.8	₹ 25.0	\$ 57.4	\$ 20.9	\$ 36.6	1.2x	1.2x	1.1x	5.2x	5.6x	5.3x
Ranbaxy Laboratories Ltd.	BSE:500359	New Delhi	₹ 859.9	₹ 869.0	₹ 371.0	\$ 6,496.6	\$ 620.9	\$ 5,875.7	2.2x	2.7x	3.8x	26.7x	27.4x	25.2x
RPG Life Sciences Limited	BSE:532983	Mumbai	₹ 154.4	₹ 175.7	₹ 65.0	\$ 45.1	\$ 4.8	\$ 40.3	0.5x	0.7x	1.2x	5.7x	11.2x	25.2x
Sanofi India Limited	BSE:500674	Mumbai	₹ 3,320.9	₹ 3,800.0	₹ 2,731.0	\$ 1,131.7	\$ -75.0	\$ 1,206.7	3.4x	4.0x	3.5x	14.9x	22.4x	19.8x
Sequent Scientific Ltd.	BSE:512529	Bengaluru	₹ 543.8	₹ 683.5	₹ 220.0	\$ 351.5	\$ 66.5	\$ 261.5	2.6x	4.3x	4.7x	NA	NA	NA
Sharon Bio Medicine Limited	BSE:532908	Mumbai	₹ 18.7	₹ 90.2	₹ 15.4	\$ 150.6	\$ 119.5	\$ 31.1	0.9x	0.8x	0.8x	8.3x	7.5x	32.9x
Shasun Pharmaceuticals Ltd	BSE:524552	Chennai	₹ 313.9	₹ 391.5	₹ 120.1	\$ 395.6	\$ 97.8	\$ 297.8	0.8x	1.8x	1.9x	7.0x	15.9x	15.9x
Shilpa Medicare Limited	BSE:530549	Raichur	₹ 885.3	₹ 1,091.5	₹ 340.0	\$ 521.1	\$ 7.3	\$ 513.8	2.5x	4.5x	5.4x	13.3x	20.6x	23.4x
SMS Pharmaceuticals Limited	BSE:532815	Hyderabad	₹ 555.0	₹ 714.0	₹ 252.0	\$ 96.3	\$ 22.1	\$ 74.1	1.0x	0.9x	1.1x	NA	8.0x	8.0x
Sterling Biotech Limited	BSE:512299	Mumbai	₹ 6.3	₹ 19.5	₹ 4.1	\$ 758.6	\$ 731.8	\$ 26.8	7.8x	7.8x	7.2x	54.4x	56.2x	51.8x
Strides Arcolab Ltd.	BSE:532531	Bengaluru	₹ 1,029.8	₹ 1,249.0	₹ 468.8	\$ 967.0	\$ -14.3	\$ 968.6	NA	5.0x	5.4x	NA	23.7x	25.3x
Sun Pharma Advanced Research Company Limited	BSE:532872	Vadodara	₹ 398.9	₹ 598.0	₹ 151.0	\$ 1,488.6	\$ -0.7	\$ 1,489.3	38.4x	25.1x	NA	NA	NA	NA
Sun Pharmaceutical Industries Limited	BSE:524715	Mumbai	₹ 939.4	₹ 1,200.7	₹ 572.2	\$ 34,445.0	\$ -1,216.9	\$ 35,661.9	8.9x	9.8x	12.8x	19.1x	21.8x	28.7x
Surya Pharmaceutical Limited	BSE:532516	Delhi	₹ 0.2	₹ 1.9	₹ 0.2	\$ 396.1	\$ 398.4	\$ 0.6	21.1x	NA	23.8x	NA	NA	NA
Suven Life Sciences Limited	BSE:530239	Hyderabad	₹ 281.4	₹ 338.5	₹ 82.7	\$ 563.8	\$ -1.3	\$ 565.1	3.1x	5.0x	6.6x	13.3x	11.4x	18.1x
Syncom Formulations India Ltd	BSE:524470	Indore	₹ 4.6	₹ 11.4	₹ 3.8	\$ 56.3	\$ -0.3	\$ 56.7	3.3x	2.6x	2.3x	36.8x	25.4x	21.7x

Publicly Traded Indian Healthcare Companies >\$30M Enterprise Value

Company	Ticker	City	Price*	52-Week		EV*	Net Debt	Market Cap	EV/Sales			EV/EBITDA		
				High	Low				FY2013	FY2014	LTM	FY2013	FY2014	LTM
Themis Medicare Ltd	BSE:530199	Mumbai	₹ 129.0	₹ 217.9	₹ 61.1	\$ 41.1	\$ 23.9	\$ 17.2	17.2	17.2	17.2	17.2	17.2	17.2
Torrent Pharmaceuticals Ltd.	BSE:500420	Ahmedabad	₹ 1,205.2	₹ 1,334.8	₹ 569.5	\$ 3,438.8	\$ 234.1	\$ 3,204.6	3,204.6	3,204.6	3,204.6	3,204.6	3,204.6	3,204.6
TTK Healthcare Limited	BSE:507747	Chennai	₹ 1,100.0	₹ 1,259.0	₹ 499.1	\$ 126.6	\$ -7.7	\$ 134.2	134.2	134.2	134.2	134.2	134.2	134.2
Twilight Litaka Pharma Limited	BSE:506985	Mumbai	₹ 2.9	₹ 7.1	₹ 2.9	\$ 54.3	\$ 53.2	\$ 1.1	1.1	1.1	1.1	1.1	1.1	1.1
Unichem Laboratories Limited	BSE:506690	Mumbai	₹ 205.1	₹ 267.9	₹ 182.0	\$ 286.5	\$ -6.1	\$ 292.5	292.5	292.5	292.5	292.5	292.5	292.5
Venus Remedies Ltd.	BSE:526953	Panchkula	₹ 164.3	₹ 381.8	₹ 96.1	\$ 77.0	\$ 47.4	\$ 29.5	29.5	29.5	29.5	29.5	29.5	29.5
Vivimed Labs Limited	BSE:532660	Hyderabad	₹ 359.0	₹ 435.4	₹ 225.4	\$ 211.3	\$ 119.9	\$ 91.4	91.4	91.4	91.4	91.4	91.4	91.4
Wanbury Ltd.	BSE:524212	Navi Mumbai	₹ 69.0	₹ 83.1	₹ 21.5	\$ 96.2	\$ 70.2	\$ 21.7	21.7	21.7	21.7	21.7	21.7	21.7
Wintac Ltd.	BSE:524758	Bengaluru	₹ 215.0	₹ 297.0	₹ 85.6	\$ 33.6	\$ -0.2	\$ 33.9	33.9	33.9	33.9	33.9	33.9	33.9
Wockhardt Ltd.	BSE:532300	Mumbai	₹ 1,288.8	₹ 2,000.0	₹ 543.1	\$ 2,206.7	\$ -22.3	\$ 2,229.0	2,229.0	2,229.0	2,229.0	2,229.0	2,229.0	2,229.0
Zenotech Laboratories Limited	BSE:532039	Hyderabad	₹ 57.4	₹ 71.3	₹ 22.2	\$ 37.8	\$ 6.8	\$ 31.0	31.0	31.0	31.0	31.0	31.0	31.0

	EV/Sales			EV/EBITDA		
	FY2013	FY2014	LTM	FY2013	FY2014	LTM
Max	38.4x	25.1x	23.8x	54.4x	56.2x	51.8x
Mean	2.9x	3.6x	4.0x	12.8x	16.7x	19.4x
Median	1.6x	2.5x	2.9x	9.5x	12.4x	17.6x
Min	0.3x	0.4x	0.6x	2.2x	2.8x	3.5x

*EV = Market capitalization + net debt + minority interest
Market Cap and Enterprise Value as of 04/30/2015
Source: Capital IQ

Representative Indian Transactions (last 18 months)

Date Closed	Target	Acquirer	Transaction Value	Target Financial Information			Multiples	
				Enterprise Value*	Sales	EBITDA	EV/Sales	EV/EBITDA
4/23/2015	Fitho Wellness Services Pvt. Ltd.	Practo Technologies Pvt. Ltd.	N/A	N/A	N/A	N/A	N/A	N/A
4/21/2015	Hospital in Hitech City	CARE Hospitals Pvt. Ltd.	N/A	N/A	N/A	N/A	N/A	N/A
4/20/2015	Lilac Medicare (P) Ltd.	Tosoh Corporation (TSE:4042)	N/A	N/A	N/A	N/A	N/A	N/A
4/9/2015	Metropolis Healthcare Ltd.	The Shah Family	N/A	N/A	N/A	N/A	N/A	N/A
4/6/2015	Fortis Clinical Research Ltd.	Quest Life Sciences Pvt. Ltd.	N/A	N/A	N/A	N/A	N/A	N/A
4/1/2015 (Announced)	Piramal Clinical Research	Indoco Remedies Ltd. (BSE:532612)	N/A	N/A	N/A	N/A	N/A	N/A
4/1/2015 (Announced)	UCB India Pvt. Ltd., Portfolio of Established Product Business	Dr. Reddy's Laboratories Ltd. (BSE:500124)	\$128.4	\$128.4	\$24.2	N/A	5.3x	N/A
3/31/2015	Remaining 27% stake of Alivira Animal Health Ltd.	Sequent Scientific Ltd. (BSE:512529)	\$12.1	\$44.9	N/A	N/A	N/A	N/A
3/3/2015 (Announced)	GlaxoSmithKline Australia Pty. Ltd., Opiates Business	Sun Pharmaceutical Industries Ltd. (BSE:524715)	N/A	N/A	N/A	N/A	N/A	N/A
2/13/2015 (Announced)	Krebs Biochemicals & Industries Ltd (BSE:524518) (Additional 19%, now owns 30%)	Ipca Laboratories Ltd. (BSE:524494)	\$1.5	\$7.9	N/A	N/A	N/A	N/A
2/12/2015 (Announced)	60% stake in Jay Precision Pharmaceuticals Pvt. Ltd.	Cipla Ltd. (BSE:500087)	\$15.4	\$25.7	\$4.8	N/A	5.3x	N/A
2/9/2015	iClinic Healthcare Pvt. Ltd.	Jaipuria Group	N/A	N/A	N/A	N/A	N/A	N/A
2/5/2015 (Announced)	JHS Svendgaard Dental Care Ltd.	JHS Svendgaard Laboratories Ltd. (BSE:532771)	N/A	N/A	N/A	N/A	N/A	N/A
2/2/2015 (Announced)	Famy Care Ltd., Certain Female Health Care Businesses	Mylan N.V. (NasdaqGS:MYL)	\$800.0	\$800.0	\$58.3	N/A	13.7x	N/A
1/9/2015	Global Health Pvt. Ltd.	Temasek Holdings	N/A	N/A	N/A	N/A	N/A	N/A
1/16/2015	Coldstream Laboratories Inc.	Piramal Enterprises Ltd. (BSE:500302)	\$25.0	\$25.0	N/A	N/A	N/A	N/A
1/15/2015	Pawar Electro System Pvt. Ltd	SIDBI Venture Capital Ltd.	\$4.0	N/A	N/A	N/A	N/A	N/A
1/15/2015 (Announced)	Max Neeman International Inc. and Max Neeman Medical International Ltd.	JSS Medical Research Inc.	\$1.5	\$1.5	N/A	N/A	N/A	N/A

*Enterprise Value (EV) = market capitalization + net debt + minority interest

Representative transactions only include closed deals with publicly available transaction data

Bolded companies headquartered in India

Source: Capital IQ, public filings, press releases and other public media sources

Representative Indian Transactions (last 18 months) cont'd.

Date Closed	Target	Acquirer	Transaction Value	Target Financial Information			Multiples	
				Enterprise Value*	Sales	EBITDA	EV/Sales	EV/EBITDA
1/15/2015 (Announced)	24.75% stake in Manipl Health Enterprises Pvt. Ltd.	TPG Capital, L.P.	\$150.0	\$606.1	\$125.8	N/A	4.8x	N/A
1/13/2015 (Announced)	Novartis India Ltd., OTC Division	GlaxoSmithKline plc (LSE:GSK)	\$17.7	\$17.7	N/A	N/A	N/A	N/A
1/12/2015	10% stake in Syngene International Ltd.	India Value Fund Advisors Pvt. Ltd	\$62.5	\$625.5	\$113.5	N/A	5.4x	N/A
1/9/2015	Okasa Pharma Pvt. Ltd.	Hamsons Laboratories Pvt. Ltd.	N/A	N/A	N/A	N/A	N/A	N/A
1/6/2015	Nova Specialty Hospitals	Apollo Hospitals Enterprise Ltd. (BSE:508869)	\$22.9	\$22.9	N/A	N/A	N/A	N/A
12/31/2014	E. I. Du Pont De Nemours And Company, Medical Pharmaceutical Propellant Business	Kama Holdings Ltd. (BSE:532468)	\$20.0	\$20.0	N/A	N/A	N/A	N/A
12/16/2014	Remaining 24.4% of Natco Organics Ltd.	Natco Pharma Ltd. (BSE:524816)	\$3.6	\$14.9	\$2.5	N/A	6.1x	N/A
12/5/2014	Natrol, Inc.	Aurobindo Pharma Ltd. (BSE:524804)	\$132.5	\$132.5	N/A	N/A	N/A	N/A
12/1/2014	Span Diagnostics South Africa (Pty) Ltd.	Span Diagnostics Ltd. (BSE:524727)	N/A	N/A	N/A	N/A	N/A	N/A
12/1/2014	Wyeth Ltd.	Pfizer Ltd. (BSE:500680)	\$365.4	\$294.9	\$109.2	\$19.7	2.7x	14.9x
11/25/2014	Oneiro Chemicals Ltd.	Transpek Finance Ltd. (BSE:531254)	N/A	N/A	N/A	N/A	N/A	N/A
11/24/2014	Meridian Medical Research and Hospital Ltd.	Narayana Hrudayalaya Pvt. Ltd.	\$24.3	\$24.3	N/A	N/A	N/A	N/A
11/24/2014	51% stake in AI Shifa Hospital Pvt. Ltd.	Kerala Institute of Medical Sciences	\$24.7	\$48.5	N/A	N/A	N/A	N/A
11/10/2014	Intas Pharmaceuticals Ltd.	Temasek Holdings	N/A	N/A	N/A	N/A	N/A	N/A
10/17/2014	Cygnus Medicare Pvt. Ltd.	Fidelity Growth Partners India; Somerset Indus Capital Partners	\$9.8	N/A	N/A	N/A	N/A	N/A
10/8/2014	SciGen BioPharma Pvt. Ltd.	BIOTON S.A. (WSE: BIO)	\$7.5	\$14.0	N/A	N/A	N/A	N/A
10/1/2014	Alpa Laboratories Ltd., High Potency Oral Solid Dosage Manufacturing Unit	Ipca Laboratories Ltd. (BSE:524494)	\$10.4	\$10.4	N/A	N/A	N/A	N/A
9/29/2014	Lyka Labs Ltd., Formulation Manufacturing Facilities Located at Tarapur	Undisclosed Buyer	\$6.3	\$6.3	N/A	N/A	N/A	N/A

*Enterprise Value (EV) = market capitalization + net debt + minority interest

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Representative Indian Transactions (last 18 months) cont'd.

Date Closed	Target	Acquirer	Transaction Value	Target Financial Information			Multiples	
				Enterprise Value*	Sales	EBITDA	EV/Sales	EV/EBITDA
9/29/2014 (Announced)	Shasun Pharmaceuticals Ltd (BSE:524552)	Strides Arcolab Ltd. (BSE:532531)	\$308.6	\$306.5	\$213.0	\$270	1.4x	11.6x
9/17/2014 (Announced)	Merck Ltd., Tildrakizumab -dermatology molecule	Sun Pharmaceutical Industries Ltd. (BSE:524715)	\$80.0	\$80.0	N/A	N/A	N/A	N/A
9/17/2014 (Announced)	Hetero Med Solutions Ltd., 320 Pharmacy Stores in in Telengana, Andhra Pradesh and Tamil Nadu	Apollo Hospitals Enterprise Ltd. (BSE:508869)	\$24.0	\$24.0	N/A	N/A	N/A	N/A
8/20/2014	Sri SaiNatha Multi Speciality Hospitals Pvt. Ltd.	DM Healthcare Pvt. Ltd.	\$12.0	N/A	N/A	N/A	N/A	N/A
8/18/2014	BioServe Biotechnologies (India) Pvt Ltd.	Cancer Genetics, Inc. (NasdaqCM:CGIX)	\$1.3	\$1.3	N/A	N/A	N/A	N/A
8/1/2014	Sequent Scientific, Ltd. (BSE:512529), Specialty Chemical Business	Songwon Industrial Co., Ltd. (KOSE:A004430)	\$19.9	\$19.9	\$57.9	N/A	2.0x	N/A
7/31/2014	DE Healthcare	CURA Healthcare Pvt. Ltd.	N/A	N/A	N/A	N/A	N/A	N/A
7/31/2014	India branded generics business of Bafna Pharmaceuticals Ltd. (BSE:532989)	Strides Arcolab Ltd. (BSE:532531)	\$8.0	\$10.8	\$4.0	N/A	2.7x	N/A
7/24/2014 (Announced)	Remaining 23.72% stake in Reckitt Benckiser Helathcare India Ltd.	Reckitt Benckiser Group plc (LSE:RB.)	\$120.6	\$483.5	N/A	N/A	N/A	N/A
7/21/2014	Karmic Lifesciences Inc. Ltd.	Cliantha Research Ltd.	N/A	N/A	N/A	N/A	N/A	N/A
7/19/2014	C.E.I. Compagnia Elettronica Italiana Srl	Skanray Technologies Pvt. Ltd.	N/A	N/A	N/A	N/A	N/A	N/A
7/17/2014	Mabpharm Pvt. Ltd.	Cipla Ltd. (BSE:500087)	N/A	N/A	N/A	N/A	N/A	N/A
7/16/2014	Pharmalucence, Inc.	Sun Pharmaceutical Industries Limited (BSE:524715)	N/A	N/A	N/A	N/A	N/A	N/A
7/11/2014	Remaining 6.12% stake in Inogen Laboratories Pvt. Ltd.	GVK Power and Infrastructure Ltd. (BSE:532708)	\$1.5	\$24.4	N/A	N/A	N/A	N/A
7/4/2014	Orchid Chemicals & Pharmaceuticals Ltd., Active Pharmaceutical Ingredient Manufacturing Facility	Hospira, Inc. (NYSE:HSP)	\$217.5	\$217.5	N/A	N/A	N/A	N/A
6/29/2014	Elder Pharmaceuticals, Indian Branded Formulations Business	Torrent Pharmaceuticals Ltd. (BSE:500420)	\$322.7	\$322.7	N/A	N/A	N/A	N/A
6/25/2014	Rajshree Hospitals Pvt. Ltd. (51% stake)	Apollo Hospitals Enterprise Ltd. (BSE:508869)	\$4.2	\$8.2	N/A	N/A	N/A	N/A
6/20/2014	Royal Hygiene Care Pvt. Ltd., She Comfort brand	Emami Ltd. (BSE:531162)	N/A	N/A	N/A	N/A	N/A	N/A

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Representative Indian Transactions (last 18 months) cont'd.

Date Closed	Target	Acquirer	Transaction Value	Target Financial Information			Multiples	
				Enterprise Value*	Sales	EBITDA	EV/Sales	EV/EBITDA
6/4/2014 (Announced)	Epsilon Pharmaceuticals	Amneal Pharmaceuticals LLC	\$13.1-16.4	N/A	N/A	N/A	N/A	N/A
5/31/2014	Concept Integrations (I) Pvt. Ltd.	CURA Healthcare Pvt. Ltd.	N/A	N/A	N/A	N/A	N/A	N/A
5/27/2014	Rx HealthCare Magic Pvt. Ltd.	Ebix Inc. (NasdaqGS:EBIX)	\$18.5	\$18.5	N/A	N/A	N/A	N/A
10/29/2014	Laurus Labs Pvt. Ltd. (32% stake)	Warburg Pincus LLC	\$93.7	\$290.2	\$406.2	N/A	1.4x	N/A
5/22/2014 (Announced)	Arvee Synthesis Pvt. Ltd.	SeQuent Scientific Ltd. (BSE:512529)	\$4.5	\$4.5	N/A	N/A	N/A	N/A
5/20/2014	Dr. Balabhai Nanavati Hospital	Manipal Education and Medical Group (MEMG) International India Pvt Ltd.	>\$64.6	N/A	N/A	N/A	N/A	N/A
5/2/2014	Delphi Healthcare Research Institute Pvt Ltd	Irene Healthcare Pvt Ltd	N/A	N/A	N/A	N/A	N/A	N/A
4/25/2014 (Announced)	Remaining 25.05% of Fulford (India) Ltd. (BSE:506803)	Merck & Co. Inc. (NYSE:MRK)	\$18.5	\$52.6	\$35.1	\$-0.6	1.5x	N/A
4/23/2014	Nightingales Home Health Services Pvt. Ltd.	Medwell Ventures Pvt. Ltd.	N/A	N/A	N/A	N/A	N/A	N/A
4/22/2014	Wellness Laboratories Ltd.	Metropolis Healthcare Ltd.	N/A	N/A	N/A	N/A	N/A	N/A
4/8/2014	Biodeal Pharmaceuticals Pvt. Ltd.	Anurag Kumar, Subodh Prasad Singh	\$5.0	\$5.0	\$2.7	N/A	1.8x	N/A
4/1/2014	Actavis Plc, Generics Commercial Operations in Seven Markets	Aurobindo Pharma Ltd. (BSE:524804)	\$40.7	\$40.7	N/A	N/A	N/A	N/A
3/5/2014	GlaxoSmithKline Pharmaceuticals Ltd. (BSE:500660) (Additional 23.3%, now owns 75%)	GlaxoSmithKline plc (LSE:GSK)	\$1,035.3	\$3,913.3	\$255.0	\$151.4	9.1x	29.1x
2/28/2014	Aragen Bioscience, Inc.	GVK Power and Infrastructure Ltd. (BSE:532708)	N/A	N/A	N/A	N/A	N/A	N/A
2/25/2014	Goa Antibiotics and Pharmaceuticals Ltd. (74% stake)	HLL Lifecard Ltd.	N/A	N/A	N/A	N/A	N/A	N/A
3/5/2015	Span Diagnostics Ltd., In-Vitro Diagnostics Business	ARKRAY, Inc.	\$12.7	\$12.7	N/A	N/A	N/A	N/A
1/28/2014	OneBreath	Ventureast Fund Advisors India Ltd.	\$2.8	N/A	N/A	N/A	N/A	N/A
12/31/2013	10% stake Global Hospitals Pvt. Ltd.	ICICI Venture	\$49.0	\$490.0	\$73.5	N/A	6.7x	N/A

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Bolded companies headquartered in India

Source: Capital IQ, public filings, press releases and other public media sources

Representative Indian Transactions (last 18 months) cont'd.

Date Closed	Target	Acquirer	Transaction Value	Target Financial Information			Multiples	
				Enterprise Value*	Sales	EBITDA	EV/Sales	EV/EBITDA
12/4/2013	Agila Specialties Pvt. Ltd.	Mylan N.V. (NasdaqGS:MYL)	\$1,850.0	\$1,850.0	\$253.4	\$86.0	7.3x	21.5x
11/28/2013 (Announced)	Remaining 25% stake of Ahlcon Parenterals (India) Ltd.	B. Braun Holding GmbH & Co. KG.	\$13.3	\$54.1	\$108.9	\$5.1	2.9x	10.5x
11/18/2013	Avik Pharmaceutical Ltd. (50% stake)	Ipca Laboratories Ltd. (BSE:524494)	\$1.0	\$2.1	N/A	N/A	N/A	N/A
10/31/2013 (Announced)	Sequent Scientific Ltd., Veterinary Formulations Division	Alivira Animal Health Ltd.	\$4.9	\$4.9	N/A	N/A	N/A	N/A
10/31/2013	Valeant Pharmaceuticals International, Inc., Caladryl - OTC skin care brand	Piramal Enterprises Ltd. (BSE:500302)	\$4.5	\$4.5	N/A	N/A	N/A	N/A
10/30/2013	Dabur Pharma Ltd.	Fresenius SE & Co KGaA (DB:FRE)	\$72.1	\$404.7	\$109.4	\$26.5	3.7x	15.2x
10/25/2013	Unichem Laboratories Ltd, New Formulation Manufacturing Unit in Madhya Pradesh	Mylan N.V. (NasdaqGS:MYL)	\$29.5	\$29.5	N/A	N/A	N/A	N/A

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Bolded companies headquartered in India

Source: Capital IQ, public filings, press releases and other public media sources

Max	13.7x	29.1x
Mean	4.7x	17.1x
Median	4.3x	15.1x
Min	1.4x	10.5x

Brocair Partners LLC, based in New York, was formed in 2004 to provide mergers & acquisitions advisory services, equity and debt placement services, and strategic advice to healthcare companies. Brocair Partners has advised a range of public and private companies across healthcare segments that include pharmaceuticals, medical devices, patient care, consumer health and nutrition, healthcare business services and information technology, and pharmaceutical ingredients and intermediates, both in the United States and worldwide. Outside North America, Brocair Partners collaborates on cross-border healthcare transactions with a constellation of key affiliates worldwide.

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