

PRESS RELEASE

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Aurobindo's European Subsidiary signs Binding Offer to acquire commercial operations in seven Western European Countries from Actavis

- *The businesses to be acquired provide a broad Western-European pharmaceuticals platform including personnel, commercial infrastructure, products, marketing authorizations and dossier licenses*
- *Complement existing Aurobindo European operations, adding capabilities in France, Italy, Spain, Portugal, Germany, Netherlands and Belgium, and brands such as 'Arrow Generiques'*
- *Provide a readymade hospital sales infrastructure for Aurobindo to launch its own injectable and speciality portfolio across Western Europe*
- *Accelerates announced strategy of pursuing growth in European and international operations, providing critical scale and elevating Aurobindo to a top 10 position in key Western European generics markets*
- *Total consideration is expected to be around EUR 30 million and will depend upon the Cash and Net Working Capital position at closing. Aurobindo plans to fund the acquisition through internal accruals*
- *Aurobindo is well positioned to improve the profitability of the businesses by combining them with its best-in-class integrated large scale India-based manufacturing operations and existing European infrastructure*

Aurobindo Pharma Limited (BSE: 524804) and (NSE: AUROPHARMA) today announced the signing of a binding offer to acquire commercial operations in seven Western European countries from Actavis plc (NYSE: ACT). Closing of the transaction is conditional on certain antitrust approvals and completion of employee consultation processes.

Aurobindo expects to acquire personnel, commercial infrastructure, products, marketing authorizations and dossier license rights in seven European countries. Actavis and Aurobindo will be entering into a long term commercial and supply arrangement in order to support the ongoing growth plans of these businesses. The acquisition expands Aurobindo's front-end operations into five segments (generics, prescription products, over-the-counter products, hospital products and generics tenders) with approximately 1200 products and an additional pipeline of over 200 products.

Management estimates the net sales for the acquired businesses would be around EUR 320 million in 2013 with a growth rate of over 10% year-on-year. Although these businesses are currently loss-making,

Aurobindo expects them to return to profitability in combination with its vertically integrated platform and existing commercial infrastructure. The acquisition will make Aurobindo one of the leading Indian pharmaceutical companies in Europe. Since 2006 Aurobindo has been steadily expanding its European footprint through an increasing presence in UK, Spain and Germany. The acquisition will enable Aurobindo to achieve critical mass in Western Europe with a top 10 position in several key markets.

Commenting on the transaction, Mr V Muralidharan, SVP of European Operations for Aurobindo said: "The acquisition of these European businesses is a value enhancing and forward-looking initiative for Aurobindo. We have been clear about our intention to focus on growth initiatives in Europe and international markets, which together are expected to be key drivers for future growth. This transaction will complement our strategy of pursuing organic growth along with value-creating acquisitions within our served markets and adding complimentary growth platforms to provide scale and revenue diversity".

Mr Arvind Vasudeva, CEO of Aurobindo's Formulations Business further stated that: "We have carefully reviewed the Actavis European operations and concluded that with our cost competitiveness and group structure, we could significantly capitalize Actavis's strong market position in these Western European countries and improve profitability, thereby accelerating our strategy of becoming a significant Gx player in Europe. Aurobindo takes a disciplined approach to acquisition with clearly defined strategic and financial criteria and is committed to maintaining a prudential capital and debt structure."

"We are also excited to welcome the new employees in seven countries to our growing global team and anticipate a seamless integration into Aurobindo. Actavis will continue to support the businesses as a supplier and licence provider. Aurobindo looks forward to the opportunities this transaction provides for us to work even more closely with Actavis, who are one of our existing strategic partners".

Mr Sigurdur Oli Olafsson, President of Actavis Pharma, said: "We believe that the value created by the commercial operations in these seven markets will be better maximized by Aurobindo, which will gain scale, additional products and enhanced competitive market share position as a result of this transaction. This transaction will permit Actavis to focus management time and resources to support accelerated investment in driving faster growth of other markets, including Central and Eastern Europe and Southeast Asia."

Jefferies International Limited acted as sole financial advisor and Herbert Smith Freehills LLP acted as legal counsel to Aurobindo. Rothschild and Latham & Watkins acted as sole financial adviser and legal counsel to Actavis, respectively.

This announcement does not constitute a recommendation to shareholders or potential investors.

About Actavis

Actavis plc (NYSE: ACT) is a global, integrated specialty pharmaceutical company focused on developing, manufacturing and distributing generic, brand and biosimilar products. Actavis has global headquarters in Dublin, Ireland and U.S. administrative headquarters in Parsippany, New Jersey, USA.

Actavis markets generic, branded generic, legacy brands and Over-the-Counter (OTC) products in more than 60 countries, and operates a global branded specialty pharmaceutical business focused in the Women's Health, Urology, Gastroenterology and Dermatology therapeutic categories. Actavis also has a portfolio of five biosimilar products in development in Women's Health and Oncology. Actavis Global Operations has more than 30 manufacturing and distribution facilities around the world, and includes Anda, Inc., a U.S. pharmaceutical product distributor.

For press release and other company information, visit Actavis' web site at www.actavis.com.

About Aurobindo

Aurobindo Pharma Limited (www.aurobindo.com), headquartered at Hyderabad, India, manufactures generic pharmaceuticals and active pharmaceutical ingredients. The company's manufacturing facilities are approved by several leading regulatory agencies like US FDA, UK MHRA, WHO, Health Canada, MCC South Africa, ANVISA Brazil. The company's robust product portfolio is spread over 6 major therapeutic/product areas encompassing Antibiotics, Anti-Retrovirals, CVS, CNS, Gastroenterologicals, and Anti-Allergics, supported by an outstanding R&D set-up. The Company is marketing these products globally, in over 125 countries.

Aurobindo Europe represents a significant segment within the Group's global presence. Aurobindo is committed to grow its operations in Europe considering the importance of the generic market. Since launching its European commercial operations in 2006 with the acquisition of Milpharm in the UK and Pharmacin in the Netherlands in 2007, Aurobindo has further expanded its footprint in continental Europe by commencing operations in several territories including (but not limited to) Italy, Spain, Portugal, Romania, Malta and Germany. Aurobindo's state of the art EU release lab and captive warehouse in Malta serves as a logistics centre for its European operations.

Additional information is available at our website at www.aurobindo.com.

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