



J. B. Chemicals & Pharmaceuticals Limited

Press Release

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J.B. Chemicals & Pharmaceuticals Limited to sell its Russia/CIS Over-The-Counter Business to Cilag GmbH International

Mumbai, May 23, 2011

The Board of Directors of J.B. Chemicals & Pharmaceuticals Limited ("JBCPL" or the "Company") at its meeting held today, has granted its approval to the Company for entering into a definitive agreement to sell its Russia/CIS OTC Business to Cilag GmbH International ("Cilag"), a wholly owned subsidiary of Johnson & Johnson. The consideration for this transaction is INR 9,385.10 million. In addition, the Board has also approved the sale of worldwide rights and registrations of 3 OTC brands (Doktor Mom, Rinza and Fitovit) to Cilag, for an additional consideration of INR 60.67 million. The Russia/CIS OTC Business is being sold as a going concern on a slump sale basis including OTC trademarks, brands, patents, registrations and domain names. The Sale will also involve the transfer of the employees of the Russia/CIS OTC Business.

Cilag's affiliate, Johnson & Johnson LLC, has also entered into a contract with the company's wholly owned subsidiary situated in Russia for purchase of its OTC inventory and receivables for a consideration of US \$47 million.

Commenting on the Transaction, Mr. J.B. Mody, Chairman, JBCPL said *"The divestment will provide JBCPL with the financial flexibility to pursue new growth opportunities in India and other focus markets. We are confident that Johnson & Johnson will take our business in Russia/CIS to even greater heights"*

In addition, JBCPL has signed a long term agreement to supply Cilag finished products for the acquired Russia/CIS OTC business.

Chairman further commented "This transaction of supply is a testimony to the quality & competitiveness of JBCPL's branded product portfolio and its world class manufacturing capabilities."

The transaction is conditional upon customary closing conditions including JBCPL's shareholders' approval. The transaction is expected to close in mid 2011.

Bank of America Merrill Lynch is acting as exclusive financial advisor to JBCPL.