

Lilly announces sale of legacy antibiotics brands and manufacturing facility in China

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Eli Lilly and Company has announced that it has entered into an agreement to sell the rights in China for two legacy Lilly antibiotic medicines, Ceclor® and Vancocin®, as well as a manufacturing facility in Suzhou, China that produces Ceclor, to Eddingpharm, a China-based specialty pharmaceutical company.

Under the terms of the agreement, Lilly will receive a deposit of \$75 million, followed by a payment of \$300 million upon successful closing of the transaction. As part of the transaction, all employees at the Ceclor manufacturing facility and certain employees from shared functions will be offered the opportunity to remain at the facility and continue to work with Eddingpharm. Lilly will provide ongoing services to Eddingpharm for a period of time to ensure continuity of product supply and support the smooth transition of the facility.

Julio Gay-Ger, President and General Manager of Lilly China said, "Lilly remains committed to improving the health of people in China. This transaction will enable Lilly China to better focus our resources on the exciting new therapies that we are launching in our core therapeutic areas, so that we can bring more life-changing medicines to patients in China."

Xin Ni, CEO of Eddingpharm said, "Ceclor and Vancocin have been on the Chinese market for more than two decades, treating numerous patients and earning the trust of patients and physicians alike. We are very proud to acquire these two brands and to carry on their legacy. We look forward to maintaining high standards of operation, supplying products with the best quality, and serving more patients in need in China."

The transaction is expected to close in either the latter part of 2019 or early 2020, subject to customary closing conditions and regulatory approval. The transaction will not be reflected in Lilly's reported results and financial guidance until closing.