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Novartis acquires GSK's oncology products

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Singapore: Novartis announced today that it has reached a definitive agreement with GlaxoSmithKline plc (GSK) to exchange certain assets, build global leadership in key segments and focus on the company's portfolio.

Under the agreement, Novartis would strengthen the company's innovative pharmaceuticals business by acquiring GSK oncology products, and would divest Vaccines (excluding flu) to them. The two companies would also create a joint venture, combining their consumer divisions to create a world-leading consumer healthcare business. Separately, the company announced a definitive agreement with Eli Lilly and Company (Lilly) to divest the Animal Health Division, further focusing its portfolio on the leading businesses of innovative pharmaceuticals, eye care and generics.

"The transactions mark a transformational moment for Novartis. They focus the company on leading businesses with innovation power and global scale. They also improve our financial strength, and are expected to add to our growth rates and margins immediately," said Joseph Jimenez, CEO of Novartis.

He further added "We have also created a world-leading consumer healthcare business in our joint venture with GSK. We believe the divestment of our smaller Vaccines and Animal Health Divisions will enable us to realize immediate value from these businesses for our shareholders, and those divisions will benefit from being part of large, global businesses that are also leaders in their segments. Looking ahead, this positions Novartis well for future healthcare industry dynamics."