

Abbott to invest \$495 mn to acquire Russian firm

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Singapore: Global pharmaceutical company Abbott plans to acquire Russian pharmaceutical manufacturer, Veropharm for approximately \$495 million, to maintain a strong portfolio of oncology drugs in Russia market.

Under the terms of the agreement, Abbott will acquire limited liability company Garden Hills, the holding company that currently owns a controlling interest in Veropharm.

Through this acquisition Abbott will obtain a portfolio of medicines in women's health, central nervous system, cardiovascular, and gastroenterology, while also adding an offering in the field of oncology.

Upon completion of the transaction, Abbott would also establish a manufacturing presence in Russia through its ownership of Veropharm's existing production facilities as well as a new state-of-the-art manufacturing facility that is currently under construction by Veropharm. Abbott intends to utilize its manufacturing expertise to expand Veropharm's capabilities and enhance the existing infrastructure.

Under terms of the agreement, the purchase price Abbott pays for Garden Hills is determined based on the percentage of Veropharm shares owned by Garden Hills at the time Abbott purchases Garden Hills. If Garden Hills owns 100 percent of the shares of Veropharm at that time, the total purchase price would be upto approximately \$495 million.

Abbott expects the acquisition to add approximately \$150 million in sales in 2015.

Veropharm is a big name in Russian pharmaceutical industry with production facilities in Pokrov, Belgorod and Voronezh. The company's product portfolio includes over 100 pharmaceutical products and employs more than 2,000 people.