

GSK sells 25 brands to Aspen Pharmacare for \$270 mn

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Singapore: GlaxoSmithKline (GSK) has sold 25 of its old Australian brands to South Africa-based Aspen Pharmacare for \$270 million (â,¥172 million), including Valtrex (used for treating herpes), Lamictal (epilepsy drug) and the antibiotic Amoxil. In total, the 25 products generated sales of around \$130.19 million in 2011 and \$48.62 million in the first half of 2012. Revenues for these products have gradually declined over the years due to generic competition.

Sir Andrew Witty, CEO, GSK, said last month during quarterly results that he was looking for further ways to simplify the GSK business, following previous divestments in consumer health.

The sale to Aspen is expected to complete during the fourth quarter, with GSK receiving net cash proceeds to the tune of \$243.31 million (â,¥155 million). Aspen revealed that the purchase price for the 25 pharmaceutical products was subject to a small reduction, if the deal is not completed by October 31. Aspen will fund the purchase from new offshore debt facilities.

GSK said that, "As with the divestment of its non-core over-the-counter (OTC) brands earlier in 2012, this announcement is an example of GSK's commitment to realise value and enhance returns to shareholders through the sale of low growth or non-core businesses and to focus on priority brands, products and pipeline opportunities that have long term growth potential."