

Russian firm to buy Singapore API company

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Singapore: Russia-based Pharmstandard revealed the key terms of a probable acquisition of 100 percent share capital of Singapore-based Bever Pharmaceutical. Total consideration for the acquisition of Bever is agreed at \$590 million.

The acquisition will be funded by the combination of Pharmstandard's shares and GDRs owned by Pharmstandard-Leksredstva in the amount of \$542 million (price per share of RUB 2,235.4) and price per GDR of \$20.76 and cash of \$48 million. Pharmstandard-Leksredstva currently holds Pharmstandard's shares and GDRs on its balance sheet at approximately \$475 million.

The company's strategic rationale for the transaction includes securing a long-term fixed-cost supply of critical active pharmaceutical ingredients for two flagship OTC brands Arbidol and Aphobazolum as well as significantly increasing the company's profitability.

It is expected that Bever will be included in a proposed spin-off of the company's branded over-the-counter business.

Baker & McKenzie is advising Pharmstandard on the transaction and is engaged to provide legal opinion. Citigroup Global Markets is engaged to provide fairness opinion to the board of directors of Pharmstandard in relation to the transaction.