

Aspen acquires GSK brands and manufacturing site for £700 million

30/08/13:

Durban, South Africa: Aspen Global Incorporated ("AGI"), a wholly owned subsidiary of Aspen, announced today that it will acquire from GlaxoSmithKline plc ("GSK") the Arixtra and Fraxiparine/Fraxodi brands ("the Brands") and business worldwide, except in China, Pakistan and India ("the Excluded Territories") as well as a specialised sterile production site which manufactures the Brands at Notre Dame de Bondeville, France ("the Site"), collectively ("the Proposed Transaction") for £700 million in cash, of which £100 million relates to inventory.

Stephen Saad, Aspen Group Chief Executive, said: "this deal presents excellent synergistic opportunities for Aspen's ongoing global expansion strategy. In conjunction with the successful completion of an announced transaction with MSD, the opportunity exists to pursue a more vertically integrated supply chain for heparin based products, leading to benefits such as production / inventory planning and economies of scale in procurement. The Brands to be acquired have strong brand equity and established demand in the markets where they have been promoted and provides Aspen with a market presence in some additional 30 countries."

Arixtra and Fraxiparine/Fraxodi are made at a sterile site and the ability to manufacture steriles is globally recognised as a specialist activity resulting in limited possible competition. This is a factor further underlined by the increased complexity of the manufacturing process of Fraxiparine/Fraxodi due to the biological nature of the active pharmaceutical ingredients ("API") used in their production.

David Redfern, Chief Strategy Officer, GSK, said: "Arixtra® and Fraxiparine® are established products that have consistently delivered strong revenues. However, our focus is on delivering an unprecedented late-stage pipeline and preparing for the launch of approved medicines. Aspen is a long-term partner of GSK and will be able to dedicate the resources that these products deserve to take them forward. Importantly, we are pleased to be able to preserve the vast majority of jobs through this agreement."

Subject to regulatory approvals, it is expected that the majority of commercial operations will transfer to Aspen by the end of the year with the remainder, along with the Site, to follow in the first half of 2014.

AGI will also be entering into a put/call option agreement in relation to the rights to the Arixtra and Fraxiparine products in the Excluded Territories, with an option period commencing on 1 January 2018 at a price to be determined at the time of exercise.
