

## Teva acquires Actavis for USD 33.43 billion and 100 million shares – Modern pharmaceutical drugs and therapies more available to clients in Serbia

Teva Pharmaceuticals Industries completed the acquisition of Allergan Generics on Tuesday, August 2. The company Actavis Generics, which operates in Serbia, is a part of Allergan Generics.

According to the announcements made by the companies, Allergan has received USD 33.43 in cash and around 100 million Teva shares.

- Thanks to this merger, Actavis Serbia, whose subsidiaries include Zdravlje Leskovac and Actavis Belgrade, will provide patients and Serbia's healthcare with access to one of the largest portfolios of modern, first-class pharmaceutical drugs and therapies in the world - said the general manager of Actavis Serbia, Pavle Marjanovic.

Actavis will, as Marjanovic added, continue supplying the Serbian market with its products, with the expected expansion of the portfolio with modern and efficient drugs which haven't been present in the market so far. As well, Actavis will continue to work on improving the quality of healthcare in Serbia.

The director of Zdravlje Leskovac, Bojan Jovic, said that that factory was ready to provide the clients in the local and other markets with the latest generic pharmaceutical products of top quality.

Teva is the leading global pharmaceutical company and the largest producers of generic drugs in the world, with headquarters in Israel. Teva offers over 1,800 drugs and 16,000 products in 80 markets throughout the world, and it is planning to introduce around 1,500 generic products in 2017. At the same time, Teva is among the top three companies of its kind in over 40 countries, which makes it the leader in all key global markets.

The company's 2015 net income amounted to USD 19.7 billion. By acquiring Actavis Generics, Teva is expanding its international commercial potential and globalizing the sale and the R&D network to a considerable extent.

Acquisitions increasingly more frequent

This is just one of the many mergers between pharmaceutical giants in the past few years, and, as the recent study by Ernst & Young (E&Y) has shown, more acquisitions in this sector can be expected.

- We are going to witness a high level of investments and sales in the pharmaceutical industry in the years to follow - said Gerd Stuerz, analyst at E&Y.

This April, Pfizer and Allergan gave up on the USD 160 billion worth merger, which would have created the new world leader in the pharmaceutical industry, overtaking the Swiss giant Novartis as the top company in its sector. The merger failed due to the efforts taken by the American authorities in preventing the companies to avoid paying taxes by merging with each other.

This will, however, probably not signal the end of the wave of important mergers in the sector, they say in E&Y.

- Companies will sell out entire departments or buy new ones in order to strengthen their

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positions - said expert Siegfried Bialojan.

Faced with strong competition, many companies find the growth assisted by external aid to be crucial.

- Pharmaceutical groups can present innovations quickly only if they buy companies abroad

- Bialojan stated in June and estimated that the total market value of agreements on mergers and acquisitions might soon reach around USD 200 billion a year.

Mergers possible in Serbia as well

As Mirjana Vucicevic of the Association for Pharmaceutical and Medicinal Economy at the Chamber of Commerce and Industry of Serbia recently stated for eKapija, a multitude of important agreements have been signed in the past years, but the period of intensive mergers and acquisitions in the pharmaceutical sector is yet to come in the years to follow.

- I consider it a good way towards better business activities and investments in the pharmaceutical industry - said Vucicevic for eKapija.

Until then, it remains to be seen what the outcome of 'the case of Galenika' will be and whether any of the three interested companies will take over the former local giant.

Source; eKapija