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News / Story reproduced with thanks:- **Firce Pharma**

Abbott captures Piramal in \$3.7B deal

May 21, 2010 — 9:34am ET | By Tracy Staton

Direct link to the News/Story:-

http://www.fiercepharma.com/story/abbott-captures-piramal-3-7b-deal/2010-05-21?utm_medium=nl&utm_source=internal

Abbott Laboratories (NYSE: ABT) just leapfrogged its way to No. 1 in India's drug market. The U.S.-based company agreed to buy the domestic unit of Piramal Healthcare, one of India's big generics makers, for \$3.7 billion. A Piramal deal has been in play for some time, with Big Pharma companies such as Sanofi-Aventis (NYSE: SNY) and Pfizer (NYSE: PFE) rumored to be in on the bidding.

But Abbott has emerged the victor, earning a bigger presence in one of the fastest-growing markets for drugs. The Piramal unit will be a standalone business reporting to Abbott's established products division, a spokeswoman tells *Bloomberg*. To give that unit a running start, the Piramal parent company agreed not to make generic meds for sale in India or in other emerging markets for eight years.

Abbott says Piramal's business brings its market share in India to about 7 percent and gives it the industry's largest sales force in that country. It expects revenues there to grow by about 20 percent a year to more than \$2.5 billion by 2020. "This strategic action will advance Abbott into the leading market position in India, one of the world's most attractive and rapidly growing markets," Abbott chief Miles White says in a statement. "Emerging markets represent one of the greatest opportunities in health care--not only in pharmaceuticals--but across all of our business segments."

India's fast growth in that market has attracted many buyers and dealmakers, spawning such buyouts as Daiichi Sankyo's \$5.4 billion acquisition of Ranbaxy Laboratories. Big Pharma is staffing up its own operations in the country as well; for example, Merck's vaccines unit is hiring for a big growth push, Bayer is beefing up its Indian sales force, and Sanofi is staffing up for a push into rural India.