

## Glaxo to Buy Novartis Consumer Venture Stake for \$13 Billion

By **James Paton**

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- Glaxo to start strategic review of Horlicks, India Unit Stake
  - GSK sees strategic review concluded around end of 2018
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GlaxoSmithKline Plc, the U.K. pharmaceutical giant, agreed to buy Novartis AG's stake in its consumer healthcare joint venture in a \$13 billion deal a week after withdrawing from the bidding for Pfizer Inc.'s consumer unit.

The sale of the 36.5 percent stake in its venture, which was formed in 2015, should close in the second quarter, the Basel, Switzerland-based drugmaker said Tuesday in a statement .

“While our consumer healthcare joint venture with GSK is progressing well, the time is right for Novartis to divest a non-core asset at an attractive price,” Novartis Chief Executive Officer Vas Narasimhan said in the statement.



Vasant Narasimhan Photographer: Michele Limina/Bloomberg

The sale will also strengthen Novartis's ability to drive shareholder returns and make bolt-on acquisitions, Narasimhan also said.

Glaxo pulled out of the contest for Pfizer's consumer-health unit last week in a development that leaves the U.S. drugmaker with dwindling options to dispose of the business that's valued at as much as \$20 billion.

One factor in Glaxo's decision not to pay the price Pfizer wanted was a potential transaction to buy out the Novartis holding, analysts at Bloomberg Intelligence wrote last week. Glaxo has said it would be interested in acquiring the stake if Novartis exercised its option to sell.

Glaxo also said it would start a strategic review of Horlicks and other consumer nutrition products, including an assessment of its stake in its India unit.

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