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Endo to acquire Par Pharmaceutical

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Endo International and Par Pharmaceutical Holdings has announced that they have entered into a definitive agreement under which Endo will acquire privately-held Par from TPG in a transaction valued at $8.05 billion, including assumption of Par debt. The combination will create a leading specialty pharmaceutical company with a generics business that is one of the industry's fastest growing and among the top five as measured by US sales.

The transaction has been unanimously approved by the Boards of Directors of both the companies, and is supported by the management teams of both companies. There are no further shareholder approvals required. The purchase price will consist of approximately 18 million shares ($1.55 billion of value based on the 10-day volume weighted average share price of Endo ending on May 15, 2015) of Endo equity and $6.50 billion cash consideration to Par shareholders. Endo has secured fully committed financing from Deutsche Bank and Barclays to fund the cash consideration. Endo expects to implement a permanent capital structure to finance the transaction prior to the close that would include a combination of cash, debt and an equity offering.

"Our generics business, Qualitest, continues to be an extremely attractive and effective growth driver for Endo. This transaction with Par builds upon our generics growth, adding a strong portfolio of high barrier-to-entry and attractive gross margin products while also transforming Endo, creating a powerful corporate platform for future growth and strategic M&A," said Mr Rajiv De Silva, president and CEO of Endo. He added, "We believe the acquisition of Par underscores the continued execution of Endo's value-driven M&A strategy and helps deliver on our goal of achieving double-digit revenue growth for the overall business over the long-term. We are also excited to welcome Paul Campanelli to the Endo leadership team. With more than 25 years of experience in the generics industry and nearly 15 years at Par, Paul has demonstrated a clear track record of success in innovation and strategic management in specialty generics."

"This is an exciting time of growth and opportunity in the generics and specialty pharmaceutical arenas. Par Pharmaceutical is committed to significantly expanding our scope, capacity and capabilities to realize the maximum value of our rich and diversified product portfolio and R&D pipeline. We believe our combination with Endo best positions us to do so," said Mr Campanelli, CEO of Par Pharmaceutical. He added, "We share Endo's goal of developing and commercializing generic drugs in areas of greatest revenue potential, complex formulations and longer life cycles. I look forward to joining the Endo team and working together to achieve that goal."

Par Pharmaceutical is a privately-held company that was acquired through a take-private transaction by an affiliate of TPG in 2012.

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