

Dr Reddy's acquires GSK penicillin facility in US

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HYDERABAD-BASED pharmaceutical major, Dr Reddy's Laboratories (DRL), has completed acquisition of GlaxoSmithKline's (GSK) oral penicillin facility and product portfolio in the US. The two companies had signed an agreement on November 23, 2010.

DRL now assumes the ownership of the penicillin manufacturing site in Bristol, Tennessee and rights for the Augmentin and Amoxil brands in the US, the company stated in a filing to the Bombay Stock Exchange today.

GSK will retain the existing rights for these brands outside the US. Financial terms and conditions of the transactions have not been disclosed.

In 2009, the market size of the two products was estimated to be \$73 million. Following this announcement, DRL shares went up by 2.65 per cent and closed at ₹1,635.55 on BSE, ₹42.30 more than the previous day's close of ₹1,593.25.

DRL's global generics business president, Abhijit Mukherjee, said the acquisition was in line with the company's strategy to significantly scale up the "generics business in North America while providing an opportunity to explore additional synergy with our business".

Industry