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Acquisition agreement for Nycomed

Takeda Pharmaceutical

Nycomed

May 19 2011

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Companies:	Takeda Pharmaceutical Nycomed
Announcement date:	May 19 2011
Deal value, US\$m:	13684.4 : sum of cash transaction
Related contracts:	Spin out agreement for Nycomed US

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Details

Announcement date:	May 19 2011
Industry sectors:	Bigpharma Pharmaceutical

Financials

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Termsheet

Takeda has reached an agreement with the shareholders of Nycomed in which Takeda will acquire the Zurich-headquartered company for 9.6 billion Euro on a cash-free, debt-free basis.

The boards of directors of each company unanimously approved the transaction which is expected to be completed within 90 to 120 days, making it a wholly owned subsidiary of Takeda, subject to antitrust clearance.

The purchase would exclude Nycomed's U.S. dermatology business.

The sellers are comprised of a consortium of private equity funds led by Nordic Capital Funds V and VI ("Nordic Capital"), including DLJ Merchant Banking Partners (a Credit Suisse affiliate), Collier International Partners IV and V, and Avista Capital Partners.

Press Release

Takeda to Acquire Nycomed Transaction will Transform Takeda's Global Business 19.05.2011

OSAKA, Japan, and ZURICH, Switzerland, May 19, 2011 – Takeda Pharmaceutical Company Limited ("Takeda", TSE: 4502) and Nycomed A/S ("Nycomed") jointly announced today that Takeda has reached an agreement with the shareholders of Nycomed in which Takeda will acquire the Zurich-headquartered company for 9.6 billion Euro on a cash-free, debt-free basis. The boards of directors of each company unanimously approved the transaction which is expected to be completed within 90 to 120 days, making it a wholly owned subsidiary of Takeda, subject to antitrust clearance. The purchase would exclude Nycomed's U.S. dermatology business.

The sellers are comprised of a consortium of private equity funds led by Nordic Capital Funds V and VI ("Nordic Capital"), including DLJ Merchant Banking Partners (a Credit Suisse affiliate), Collier International Partners IV and V, and Avista Capital Partners.

This transformational transaction is a strategic fit with Takeda's sustainable growth strategy as it was outlined in its 2011–2013 Mid-Range Plan. Takeda has its strong presence in the Japanese and U.S. markets, while Nycomed has a significant business infrastructure in Europe and high-growth emerging markets that will enhance Takeda's regulatory development expertise and commercialization capability. The acquisition includes the roflumilast franchise (Daxas®; trade name in Europe), a first-in-class treatment for chronic obstructive pulmonary disease (COPD),

which is expected to be a major source of revenue growth for Takeda. In addition, the acquisition will bring Takeda an immediate and stable increase in cash flow with Nycomed's more than 2.8 billion Euro in annual revenue, excluding the U.S. Dermatology business.

"Takeda is committed to transforming our organization through the acquisition of Nycomed. Nycomed enables Takeda to maximize the value of our portfolio and gives us an immediate strong presence in the high-growth emerging markets while doubling Takeda's European sales," said Yasuchika Hasegawa, President & CEO of Takeda. "Nycomed's strength in a geographically wide range of markets and its diverse talent base will be a strong driver to helping us realize our important mission of striving toward better health for patients worldwide through leading innovation in medicine."

Nycomed, headquartered in Zurich, Switzerland, is a privately-owned pharmaceutical company with strong presence in Europe and emerging markets. Nycomed's diversified product portfolio includes both established prescription pharmaceutical products as a primary revenue driver, and over the counter (OTC) products. It has a strong European commercial network and is aggressively growing in emerging markets which account for more than 50 percent of global pharmaceutical growth. Its key success factors include the utilization of its broad product range and the application of commercialization and development strategies that fit with the market environment and medical needs in each individual country and region.

"The combination of Takeda's successful track record of innovation with Nycomed's efficient commercialization and manufacturing infrastructure will create a global player with a phenomenal ability to bring medicines to patients and healthcare providers around the world," said Håkan Björklund, Chief Executive Officer of Nycomed.

Through the addition of Nycomed's remarkable entrepreneurial corporate culture to Takeda's corporate culture, nurtured for more than two centuries, Takeda is aiming to become a truly global pharmaceutical company with a diversified talent base capable of conducting global business effectively.

Since being acquired by Nordic Capital along with co-investors in 2005, Nycomed has followed an aggressive growth strategy that has propelled the company to an international player with a broad and strong market presence.

"The investment in Nycomed has outperformed even the highest expectations. We are proud to have contributed to Nycomed's development into a world-class pharmaceutical company with a strong market position and product pipeline. I feel confident that Takeda will be able to further build upon Nycomed's potential and create an even stronger company with a global market presence," said Kristoffer Melinder, Managing Partner of NC Advisory AB, advisor to the Nordic Capital funds.

1. Expected benefits

- Strong fit with Takeda's sustainable growth strategy - Strengthens pan-European platform - Leverages Nycomed's emerging markets strength to drive growth - Allows Takeda to maximize the value of its portfolio supported by enhanced development expertise and commercialization capability in Europe and emerging markets - Provides a significant growth driver with roflumilast (Daxas® tradename in Europe) • Immediate financial contribution() - *More than 30% increase of annual revenue - More than 40% increase of operating income (excluding special factors derived from business acquisition) - More than 30% increase of EPS (excluding special factors derived from business acquisition)* () Comparison with the original outlook of fiscal 2013 in 2011-2013 Mid-Range Plan, announced on May 11, 2011

- Complementary cultures and diverse talent pool

1. Acquisition summary

(1) Acquiring company: Takeda Pharmaceutical Company Limited (2) Shareholders of Nycomed include Nordic Capital Funds V and VI, DLJ Merchant Banking Partners (a Credit Suisse affiliate), Collier International Partners IV and V, and Avista Capital Partners, Nycomed's management and employees team (3) Number of outstanding shares: 13,778,110 shares (as of December 31, 2010) (4) Payment: Cash (Takeda will finance part of the transaction through a loan for about 600 to 700 billion yen) (5) Acquisition amount: 9.6 billion Euro inclusive of the Nycomed's net debt (Fairness opinions from both Deutsche Securities Inc. and Nomura Securities Co., Ltd. have been obtained.) (6) Planned date of completion: End of September 2011 Note: Shares of Nycomed US Inc., which focuses on specialty pharmaceuticals in dermatology, are excluded from the share purchase agreement.

1. About Nycomed

(1) Corporate name: Nycomed A/S (2) Headquarters: Zurich, Switzerland (3) Representative: Håkan Björklund (CEO) (4) Established: 2005 (Operation started in 1874) (5) Capital stock: 98,836 Euro (6) Shares: non-listed ordinary shares (7) Fiscal year: End of December (8) No. of employees: approximately 12,500 (including Nycomed US) (9) Relationship with Takeda: no matters to report regarding capital, personal and transactional relationship with Takeda (10) Financial performance of the Nycomed Group for the recent two years including Nycomed U.S. (unit: million Euro)

Fiscal year 2010 Fiscal year 2009 Net turnover 3,170.6 3,228.0 Gross profit Margin 2,181.7 2,332.7 Operating profit -44.2 288.0 Net profit -229.1 232.7 EBITDA after adjustment(*) 850.5 1,074.6 Total assets 7,477 7,886 Net assets 1,491 1,539

(*) After adjustment of the difference such as those derived from evaluation of inventories in accordance with "Accounting Standard for Business Combinations" EBITDA: earnings before interest, taxes, depreciation, and amortization

Takeda will announce the financial impact which this transaction will have on its consolidated financial statements of its fiscal year 2011 together with the revised financial outlook of the year.

About Takeda Located in Osaka, Japan, Takeda is a research-based global company with its main focus on pharmaceuticals. As the largest pharmaceutical company in Japan and one of the global leaders of the industry, Takeda is committed to strive towards better health for patients worldwide through leading innovation in medicine. Additional information about Takeda is available through its corporate website, www.Takeda.com.

About Nycomed Nycomed is a privately owned global pharmaceutical company with a diversified portfolio focused on branded medicines in gastroenterology, respiratory and inflammatory diseases, pain, osteoporosis and tissue management. A range of OTC products completes the portfolio. Its R&D is structured around collaborations. In-licensing and expanding in emerging markets are cornerstones of the company's growth strategy. Nycomed employs 12,500 associates worldwide, and its products are sold in more than 100 countries. It has strong platforms in Europe and in fast-growing markets such as Russia/CIS, Latin America, Asia and the Middle East. In the US and Japan its products are available through best in class partners. Headquartered in Zurich, Switzerland, the company generated total sales of €3.2 billion in 2010 and an adjusted EBITDA of €851 million.

About Nordic Capital Private Equity Funds Since the start in 1989, Nordic Capital Private Equity Funds have invested in large and medium sized companies, primarily in Northern Europe. Through committed ownership and by targeting strategic development and operational improvements, Nordic Capital creates value in its investments. The funds invest in companies in Northern Europe and in selected investment opportunities internationally. They are based in Jersey, Channel Islands, and are advised by the NC Advisory companies in Sweden, Denmark, Finland, Norway, Germany and the UK. Additional information about Nordic Capital is available through its corporate website, www.nordiccapital.com

About Credit Suisse AG DLJ Merchant Banking Partners is an affiliate of Credit Suisse. Credit Suisse AG is one of the world's leading financial services providers and is part of the Credit Suisse group of companies (referred to here as 'Credit Suisse'). As an integrated bank, Credit Suisse offers clients its combined expertise in the areas of private banking, investment banking and asset management. Credit Suisse provides advisory services, comprehensive solutions and innovative products to companies, institutional clients and high-net-worth private clients globally, as well as to retail clients in Switzerland. Credit Suisse is headquartered in Zurich and operates in over 50 countries worldwide. The group employs approximately 50,100 people. The registered shares (CSGN) of Credit Suisse's parent company, Credit Suisse Group AG, are listed in Switzerland and, in the form of American Depositary Shares (CS), in New York. Further information about Credit Suisse can be found at www.credit-suisse.com.

About Avista Capital Partners Avista Capital Partners is a leading private equity firm managing approximately \$4 billion of committed capital with offices in New York, Houston, and London. Founded in 2005, Avista's strategy is to make controlling or influential minority investments in growth-oriented energy, healthcare, media, industrial and consumer businesses. Through its team of seasoned investment professionals and industry experts, Avista seeks to partner with exceptional management teams to invest in and add value to well-positioned businesses. For more information visit: www.avistacap.com.

About Collier International Partners Capital Collier Capital - the global leader in Private Equity Secondaries - has invested in Nycomed through its funds Collier International Partners IV and V.

Filing Data

Not available.

Contract

Not available.