IL-Based Abbott To Buy Solvay Pharma For $6.6b

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NEW YORK (AP) — Abbott Laboratories is buying the pharmaceutical business of Belgian chemicals maker Solvay for $6.6 billion in a move to further expand internationally and add to its product portfolio.

North Chicago, Ill.-based Abbott already holds U.S. marketing rights for Solvay's Trilipix and TriCor, drugs which raise "good" HDL cholesterol while reducing triglycerides and "bad" LDL cholesterol.

Miles D. White, chairman and chief executive of Abbott, said the deal could add up to $3 billion in additional annual sales, while giving the company more diverse portfolios in cardiology and neuroscience treatment areas.

It also gives the company $500 million in additional research and development capacity, that can be used to drive future pharmaceutical unit growth, White said.

"We are adding from a position of strength," White said, citing the company's sales in international and emerging markets.

Abbott shares rose 86 cents, or 1.8 percent, to $48.19 in premarket trading.

Solvay said in a statement the sale will let it "refocus" its activities, which also cover chemicals and plastics.

"We are building a new refocused group with the financial means to further accelerate sustainable growth," Alois Michielsen, Solvay's chairman, said.

Solvay said the deal's value could jump by another $439 million if sales targets are met for certain drug products.

In addition, Abbott would also take on liabilities worth about $584 million.

The sale is expected to close in the first quarter of 2010, pending antitrust approval from the EU and U.S.

Abbott makes and markets pharmaceutical and medical products in more than 130 countries and employs more than 72,000 people. In the last year, it has bought contact lens maker Advanced Medical Optics, India-based Wockhart's nutritional business, eye care company Synchrony and Evalve, a maker of heart repair equipment.

The company's pharmaceutical unit includes the blockbuster arthritis drug Humira, which is helping to drive U.S. and international revenue for the company.

Solvay Pharmaceuticals is a group of companies that employs 9,000 people worldwide and had sales of 2.7 billion euros in 2008. The Solvay Group as a whole employs more than 29,000 people in 50 countries. Its 2008 consolidated sales were 9.5 billion euros.

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