

ABBOTT TO ACQUIRE VEROPHARM

ABBOTT PARK, Ill., June 23, 2014 /PRNewswire/ -- Abbott (NYSE: ABT) today announced a definitive agreement to acquire Veropharm, a leading Russian pharmaceutical manufacturer. Under the terms of the agreement, Abbott will acquire Limited Liability Company Garden Hills, the holding company that currently owns a controlling interest in Veropharm, for between 13.6 billion rubles and 17 billion rubles (or a range of approximately \$395 million to \$495 million U.S. dollars) depending on Garden Hills' share ownership of Veropharm at time of close. Garden Hills currently owns more than 80 percent of Veropharm but is expected to own more than 95 percent by the time the transaction closes. Pursuant to the agreement, Abbott will also assume net debt of 4.7 billion rubles (or approximately \$136 million U.S. dollars).

Abbott has had a presence in Russia for nearly 40 years and, in line with the company's long-term commitment to growing global health care markets and capabilities, is committed to providing a reliable supply of its health care products to Russian patients.

Through this acquisition Abbott will obtain a portfolio of medicines that is well aligned with its current pharmaceutical therapeutic areas of focus in women's health, central nervous system, cardiovascular, and gastroenterology, while also adding an offering in the field of oncology.

Upon completion of the transaction, Abbott would also establish a manufacturing presence in Russia through its ownership of Veropharm's existing production facilities as well as a new state-of-the-art manufacturing facility that is currently under construction by Veropharm. Abbott intends to utilize its manufacturing expertise to expand Veropharm's capabilities and enhance the existing infrastructure.

Financial Highlights

Under terms of the agreement, the purchase price Abbott pays for Garden Hills is determined based on the percentage of Veropharm shares owned by Garden Hills at the time Abbott purchases Garden Hills. If Garden Hills owns 100 percent of the shares of Veropharm at that time, the total purchase price would be 17 billion rubles (or approximately \$495 million U.S. dollars). Abbott will also assume net debt of 4.7 billion rubles (or approximately \$136 million U.S. dollars).

Abbott plans to fund the transaction with cash on the balance sheet.

Abbott expects the acquisition to add approximately \$150 million U.S. dollars in sales in 2015. The transaction is expected to close in the fourth quarter and will not impact Abbott's ongoing earnings-per-share guidance for 2014. The transaction is subject to customary closing conditions and regulatory approvals.

About Veropharm

Veropharm is one of the largest Russian pharmaceutical manufacturers. The company's production facilities comprise three pharmaceutical manufacturing sites in Pokrov, Belgorod and Voronezh. The company's product portfolio includes over 100 pharmaceutical products. Veropharm employs more than 2,000 people.

About Abbott

Abbott is a global healthcare company devoted to improving life through the development of products and technologies that span the breadth of healthcare. With a portfolio of leading, science-based offerings in diagnostics, medical devices, nutritionals and branded generic pharmaceuticals, Abbott serves people in more than 150 countries and employs approximately 69,000 people.

Abbott has been operating in Russia since 1978 with its Russian operations headquartered in Moscow.

Abbott's news releases and other information are available on the company's websites www.abbott-russia.ru and www.abbott.com. Connect with us on Twitter at @AbbottNews.

Private Securities Litigation Reform Act of 1995 - A Caution Concerning Forward-Looking Statements

Some statements in this news release may be forward-looking statements for purposes of the Private Securities Litigation Reform Act of 1995. Abbott cautions that these forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those indicated in the forward-looking statements. Economic, competitive, governmental, technological and other factors that may affect Abbott's operations are discussed in Item 1A, "Risk Factors," to our Annual Report on Securities and Exchange Commission Form 10-K for the year ended Dec. 31, 2013, and are incorporated by reference. Abbott undertakes no obligation to release publicly any revisions to forward-looking statements as a result of subsequent events or developments, except as required by law.

SOURCE Abbott

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