

Aspen sells R1.8bn portfolio to Acino

For approximately R1.8bn (\$123m), South Africa's Aspen Pharmacare has agreed to sell a portfolio of six drug products to Switzerland-based Acino Pharma AG.



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"The transaction forms part of Aspen's communicated strategy to refine its product portfolio in South Africa," the company says in a statement.

Investors had been concerned about Aspen's debt in the last two years after levels moved close to breaching debt covenants.

That prompted Aspen to sell some of its European businesses and focus more on high margin emerging markets.

Last month the company said after its annual earnings release that it was now in a comfortable debt position.

Part of the proceeds from the sale of the portfolio, which accounted for a revenue of R512m in the last financial year, will be used to retire debt, it says.

Aspen and Acino will enter into a manufacturing and supply agreement in terms of which Aspen will supply the products to Acino for seven years, it says.

The sale excludes the cost of inventory which will be additional, the company said, adding that the transaction is likely to be completed by the end of December.

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