



Australian
Competition &
Consumer
Commission

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NEWS RELEASE

ACCC NOT TO OPPOSE PHARMACEUTICAL ACQUISITION

The Australian Competition and Consumer Commission will not oppose the proposed acquisition of Sigma Pharmaceuticals Limited's Pharmaceutical Division by Aspen Pharmacare Holdings Limited on the basis that Aspen is providing an undertaking to sell certain brands to address the ACCC's competition concerns.

"The ACCC is satisfied, taking into account the divestiture undertaking by Aspen to sell certain pharmaceutical brands, that the proposed acquisition is unlikely to substantially lessen competition," ACCC chairman Graeme Samuel said.

In Australia, Aspen and Sigma's Pharmaceutical Division compete in a number of pharmaceutical markets, including in the supply of various prescription generic medicines and over-the-counter pharmaceutical products.

"The ACCC conducted an extensive review to assess the impact of this transaction on customers of pharmaceutical products, which include the Federal, State and Territory governments, pharmacists and patients and identified a number of pharmaceutical markets where competition concerns were raised," Mr Samuel said. "The proposed acquisition would remove the only competitor to Aspen in a number of pharmaceutical markets. Without the proposed divestitures, Aspen would become the sole supplier in these pharmaceutical markets."

In response to the ACCC's preliminary concerns outlined in a Statement of Issues published on 27 October 2010, Aspen and Sigma agreed that Sigma's iron polymaltose product, *Ferrosig*, would no longer be included in the proposed transaction.

To address the remaining concerns Aspen is providing a court enforceable undertaking that would require certain pharmaceutical brands to be divested. Following the ACCC's consultation on the proposed undertaking, it was satisfied that the competition concerns in the relevant markets would be remedied through the sale of the following brands:

- Sigma's *Sone* brand containing prednisone;
- Sigma's *Solone* brand containing prednisolone; and
- Aspen's *LPV* brand containing phenoxymethylpenicillin (penicillin V).

The ACCC concluded that there were no competition concerns in other pharmaceutical markets in which the operations of Aspen and Sigma's Pharmaceutical Division overlap.

The undertaking will be available on the ACCC's website. A Public Competition Assessment outlining the ACCC's reasons for its decision will be available on the ACCC's website in due course.

Media inquiries

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