



Press Release

ProStrakan enters into agreement to buy Archimedes

11th July, 2014

Galashiels, UK – ProStrakan Group plc (“ProStrakan”) a subsidiary of global specialty pharmaceutical company, Kyowa Hakko Kirin Co., Ltd. (“KHK”), announces today that it has entered into an agreement with Novo A/S, a private limited liability company fully owned by the Novo Nordisk Foundation, to purchase the entire share capital of Archimedes Pharma Limited (“Archimedes”) for a consideration of £230 million in cash.

Archimedes is a fast growing European-based specialty pharmaceutical company providing novel and advanced treatments within the therapeutic areas of pain, oncology and critical care. Its largest product is PecFent, a fentanyl nasal spray used in the management of breakthrough cancer pain in patients who are already receiving maintenance opioid therapy for chronic cancer pain. The product was developed using Archimedes’ proprietary drug delivery technology platform, which is protected by several patents.

Archimedes also has a diversified product portfolio of both promoted and non-promoted pharmaceutical products marketed to healthcare professionals across Europe. It has a strong European footprint with commercial operations in the UK, France, Germany and Spain. Archimedes is based in Reading, UK, and has a development facility in Nottingham, UK. In 2013, Archimedes recorded revenues of £41 million, growing 33% from the previous year.

ProStrakan's acquisition of Archimedes furthers KHK's strategic vision of becoming a global specialty pharmaceutical company. The acquisition of Archimedes also delivers several strategic benefits to ProStrakan.

The transaction significantly expands ProStrakan's critical mass in Europe by growing its businesses in four of the largest European markets: UK, France, Germany and Spain. In each of these countries Archimedes has sales and marketing infrastructure which will complement ProStrakan's current operations.

In 2013, ProStrakan generated revenues of £155 million, growing 20% from the previous year. Archimedes brings a strong product portfolio of high growth brands which expands ProStrakan's offering in the core therapeutic areas of oncology and oncology supportive care. These brands are expected to be a key driver of growth for ProStrakan over the next several years.

In addition, the enhancement of the infrastructure and portfolio broadens the reach of ProStrakan, helping it to position itself for the launch of several exciting new products currently being developed by ProStrakan's parent company, KHK. One of these products, KW-0761, is a novel antibody being developed for haematology indications such as adult T-cell leukaemia/lymphoma.

Dr Tom Stratford, Chief Executive Officer of ProStrakan, said:

"The acquisition of Archimedes represents a rare opportunity to enhance the scale of our successful European operations by adding a strong portfolio of high value medicines as well as further strengthening our teams in major European markets.

"Since joining KHK three years ago, ProStrakan has grown from strength to strength, culminating in the delivery of a positive profit contribution for the KHK group in 2013. The acquisition of Archimedes is a further step in KHK's strategy of becoming a global specialty pharmaceutical company, as it significantly expands its presence in Europe."

Closing of the transaction is subject to anti-trust approvals in Germany. Lazard is acting as exclusive financial advisor to KHK and ProStrakan, and Wragge Lawrence Graham & Co. is acting as legal counsel to KHK and ProStrakan.

Ends

Further enquiries:

Callum Spreng
ProStrakan

Tel: +44 (0)141 548 5191
Mob: +44 (0)7803 970103
Email: callum@sprengandco.com

About ProStrakan

ProStrakan Group plc is a rapidly growing specialty pharmaceutical company engaged in the development and commercialisation of prescription medicines for the treatment of unmet therapeutic needs in major markets. ProStrakan is a subsidiary of Kyowa Hakko Kirin Co., Ltd., the Japan-based global specialty pharmaceutical company. ProStrakan's head office is located in Galashiels in Scotland. Sales and marketing of ProStrakan's portfolio of products are handled by commercial subsidiaries in the UK, US, France, Germany, Spain, Italy and other EU countries. You can learn more about the business at: www.prostrakan.com