

GSK unveils expansion plans in India, Nigeria

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British drugmaker GlaxoSmithKline said it intends to increase its holdings in its Indian and Nigerian divisions, as part of a long-term strategy to expand into emerging markets, in a statement on Monday.

GSK said it had offered to buy an additional stake of up to 31.8 percent of its Indian unit, GlaxoSmithKline Consumer Healthcare Ltd, in a bid pitched at 3,900 rupees per share.

The proposed voluntary open offer, which would lift its holding from 43.2 percent to up to 75 percent, is worth about £591 million (\$941 million, 730 million euros) or 52.2 billion rupees, funded through existing cash resources.

"GSK Consumer Healthcare is a well established business in India and its leading product, Horlicks, is an iconic household brand," the group's chief strategy officer David Redfern said in a statement.

"This transaction represents a further step in GSK's strategy to invest in the world's fastest growing markets and, we believe, offers a liquidity opportunity at an attractive premium for existing shareholders."

In a separate statement, London-listed GSK said it has also reached a deal in principle to ramp up its stake in GlaxoSmithKline Consumer Nigeria PLC from 46.4 percent to 80 percent, in a proposed transaction worth some £62 million.

Redfern added: "This proposal to increase GSK's ownership of GlaxoSmithKline Consumer Nigeria reiterates our long term support of the company's strategy and our confidence in the continuing growth prospects of the business."

In morning deals, GSK's share price dipped 0.71 percent to 1,337.50 pence on London's FTSE 100 index of top companies, which was 0.44 percent lower at 5,793.25 points.

Keith Bowman, equities analyst at brokerage Hargreaves Landsdown, said the move was part of GSK's wider strategy.

"The emerging markets continue to form an important growth driver for GSK," Bowman told AFP.

"Today's moves appear to underline management's confidence in expected long term growth for both locations."

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