

Eli Lilly to buy part of Novartis for \$5.4 bn

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US pharmaceutical giant Eli Lilly said Tuesday it has reached an agreement to acquire the animal health division of Novartis of Switzerland for \$5.4 billion (3.9 billion euros).

In a statement Eli Lilly said the deal will strengthen and diversify its [animal health](#) unit, Elanco, and make it the world's second largest in the sector in terms of global revenue.

Under the terms of the agreement, Lilly will acquire all assets of Novartis Animal Health for a total purchase price of approximately \$5.4 billion, including anticipated tax benefits, Eli Lilly said.

It plans to fund this acquisition with approximately \$3.4 billion of cash-on-hand and \$2.0 billion in debt to be issued.

No other financial terms of the transaction were disclosed.

The transaction is expected to close by the end of the first quarter of 2015, subject to regulatory approvals in the US and overseas.

Novartis Animal Health is present in approximately 40 countries and posted 2013 revenue of approximately \$1.1 billion.

It is focused on developing better ways to prevent and treat diseases in pets, [farm animals](#) and farmed fish, the Eli Lilly statement said.

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