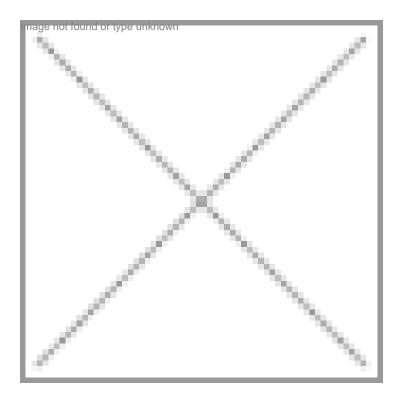


Bayer to acquire China's OTC firm

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Singapore: Bayer plans to acquire 100 percent of the shares of Dihon Pharmaceutical, a privately held pharmaceutical company specializing primarily in over-the-counter (OTC) and herbal traditional Chinese medicine (TCM) products.

"We aim to strengthen our Life Sciences portfolio with strategic bolt-on acquisitions globally. We are very pleased to have identified a consumer health care company in China with such a strong track record of success built by its dedicated employee base," said Dr. Marijn Dekkers, CEO of Bayer AG. "This acquisition moves us into a leading position amongst multinationals in the OTC industry in China. It also brings a portfolio of well-known consumer brands, which will allow us to provide consumers with an even broader range of self-care options."

"Adding the strong OTC brands from Dihon to our portfolio will significantly advance our business in China and positions us well for future growth," said Dr. Olivier Brandicourt, CEO of Bayer HealthCare. "Equally important is the foothold we will gain in TCM, which makes up about half of the OTC segment in China and is a well-accepted and sought after line of natural science-based alternative therapies for consumers looking for trusted solutions for their healthcare needs. We think we can leverage our recent acquisition of Steigerwald in combination with Dihon's herbal TCM expertise and pipeline to benefit both these areas, which have a different but related heritage."

"Self-care is a critically important component of healthcare in China and internationally, and OTCs are an important tool to help people live happier, healthier and longer," said Dr. Zhenyu Guo, Chairman & CEO of Dihon Pharmaceutical Group Co., Ltd. "As such, we're pleased to have been able to build a business with brands that bring relief to consumers across China and other parts of the world. We believe that Bayer, with its marketing, sales, distribution and research expertise, is well

positioned to take our success to the next level. This acquisition will further strengthen the Yunnan pharmaceutical industry and offers the potential to further expand TCM to other parts of the world."

The company employs approximately 2,400 people in R&D, manufacturing, sales and marketing. In addition to operations in China, Dihon brands are sold in other countries such as Nigeria, Vietnam, Myanmar and Cambodia. Dihon's headquarters is in Kunming, China. The company also has several manufacturing sites throughout China.