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Singapore: Mayne Pharma has entered into a binding agreement to acquire Metrics, a privately-owned, US-based provider of contract development services to the pharma industry that also develops and manufactures niche generic pharmaceuticals.

The acquisition will comprise an upfront payment of $105 million and further payments of up to $15 million based on FY13 performance (ending June 30, 2013). The first payment is capped at $10 million.

Completion of the acquisition remains subject to material conditions, including finalization of the funding arrangements (debt and equity) by Mayne Pharma and there being no material adverse event in relation to Metrics. Mayne Pharma CEO Mr Scott Richards said, "Metrics is highly complementary to Mayne Pharma's existing business in term of its products, services and the markets in which it operates. In addition to providing scale in the US market, Metrics brings additional technical capabilities and material upside from cross-selling revenue opportunities. We have known Metrics' senior management team for some time and they have a solid track record of success in the US generics industry."

The acquisition provides direct access to the world's largest pharmaceutical market, the US, which is Mayne Pharma's principal market for its development pipeline and strengthens and diversifies Mayne Pharma's revenue streams across contract services, generic and proprietary products. It also expands and diversifies Mayne Pharma's pipeline of new products. The combined business has 14 products in development targeting markets with sales of US$3.6 billion per annum.