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GSK to buy Novartis stake for $13 B

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The deal is set to complete in the second quarter subject to the necessary approvals



GlaxoSmithKline will buy Novartis's 36.5 per cent stake in their consumer healthcare joint venture for $13 billion.

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GSK said the transaction with Novartis was expected to add to adjusted earnings from 2018 and to strengthen cash flow generation.

GSK will also start a strategic review of Horlicks and other consumer nutrition products. The review will include an assessment of its 72.5 per cent shareholding in the company.

The majority of Horlicks and other nutrition products sales are generated in India through GlaxoSmithKline Consumer Healthcare Ltd which is floated in India.

The joint venture was formed in 2015 as part of a sweeping revamp that included combining the Novartis over-the-counter business with the GSK consumer healthcare business. Products include Panadol headache tablets, muscle gel Voltaren, and Nicotinell patches used by smokers who want to quit their habit.