

GE acquires Amersham for \$9.5 billion ...

13 November 2003 | News

image not found or type unknown



On 10 October 2003, when General Electric Co. and Amersham PLC announced that they have reached an agreement on the terms of an all-stock transaction, a new beginning was unleashed. As per the deal, GE will acquire all the outstanding shares of Amersham at 800 pence and the diluted share capital of Amersham at approximately \$9.5 billion. The announcement is important not only for the size of the deal but beyond that. The more far-reaching outcome of the deal is that GE will have an edge in harnessing the use of genetics in treating patients. The deal puts GE in direct competition with diagnostic and drug firms like Roche and Abbott Laboratories.

Does this buy out really matter? IBM Lifescience's prediction on industry (pharma) will not only make white powders, it will sell a variety of products and therapeutic healthcare packages that include diagnostic tests, drugs and monitoring devices and mechanisms, as well as a wide range of services to support patients. Companies that learn how to make "targeted treatment solutions", as we call them, will deliver bigger shareholder returns than they have ever delivered before."

My vision for GE Healthcare Technologies is that we are the

The strategic direction of GE is taking us into a new chapter in writing. While GE is a leading manufacturer of the machines like Positron Emission Tomography (PET) and MRI scanners, Amersham is the leading player in the market for contrast agents used in these CT scans, ultrasounds, MRI and PET scans. GE's management believes the acquisition will help to create a healthcare company which will have combined 2003 pro forma revenues in excess of \$13 billion.

Tomorrow's includes genetic understanding both for

The Amersham Group employs over 10,000 people worldwide and had sales of \$2.43 billion in 2002. It has three main business areas: medical diagnostics, protein separations and discovery systems. Amersham Health (59 percent of total Amersham sales in 2002) develops, manufactures and distributes diagnostic imaging agents and radiopharmaceuticals for all imaging modalities that are used in medical imaging procedures. Protein separations (17 percent of total Amersham sales in 2002) develops, manufactures and distributes chromatography purification systems, membrane products and reagents that are used in the development and manufacture of biopharmaceuticals and for the laboratory scale separation of proteins for research and drug development. Discovery systems (24 percent of total Amersham sales in 2002) develops, manufactures and distributes instruments, reagents and software that are used for drug discovery, research and development with applications including protein and DNA analysis for genomics and proteomics, cellular screening and bioassays.

effects of drugs and that value pharmaceuticals and leading to a better quality of life. One where we move from yesterday's paradigm of medicine, which is largely empirical, to a new paradigm of medicine, which is largely empirical.

are used in the development and manufacture of biopharmaceuticals and for the laboratory scale separation of proteins for research and drug development. Discovery systems (24 percent of total Amersham sales in 2002) develops, manufactures and distributes instruments, reagents and software that are used for drug discovery, research and development with applications including protein and DNA analysis for genomics and proteomics, cellular screening and bioassays.

products and services that define disease better, it becomes and distributes instruments, reagents and software that are used for drug discovery, research and development with applications including protein and DNA analysis for genomics and proteomics, cellular screening and bioassays.

and allows us to make sure that therapy is working.

The combination of Amersham and GE Medical is expected by GE to be non-dilutive to 2004 earnings per share (before in-process research and development charges) and \$0.01 accretive in 2005. GE expects to generate revenue synergies by the end of the third full year to the tune of \$350-400 million per annum, which would translate into operating profit synergy benefits of \$100-200 million per annum.



So it's a transformation. It will deliver a better quality of life. It will deliver better cost effectiveness for the health care challenges, the cost challenges, around the world and it is a vision that is almost a reality today. It's following on very quickly from the rapid developments in IT and the rapid understanding of biology that descends from the sequencing of the human genome and the better understanding of proteins in the body. It's the most exciting age in terms of biological science. I have the privilege of, in the future, leading the leading diagnostic company in realising the benefits of high technology for our consumers and customers worldwide.

future of pharma reads as: "In 2010, the pharmaceutical industry (pharma) will not only make white powders, it will sell a variety of products and therapeutic healthcare packages that include diagnostic tests, drugs and monitoring devices and mechanisms, as well as a wide range of services to support patients. Companies that learn how to make "targeted treatment solutions", as we call them, will deliver bigger shareholder returns than they have ever delivered before."

While GE is a leading manufacturer of the machines like Positron Emission Tomography (PET) and MRI scanners, Amersham is the leading player in the market for contrast agents used in these CT scans, ultrasounds, MRI and PET scans. GE's management believes the acquisition will help to create a healthcare company which will have combined 2003 pro forma revenues in excess of \$13 billion.

Amersham Health (59 percent of total Amersham sales in 2002) develops, manufactures and distributes diagnostic imaging agents and radiopharmaceuticals for all imaging modalities that are used in medical imaging procedures. Protein separations (17 percent of total Amersham sales in 2002) develops, manufactures and distributes chromatography purification systems, membrane products and reagents that are used in the development and manufacture of biopharmaceuticals and for the laboratory scale separation of proteins for research and drug development. Discovery systems (24 percent of total Amersham sales in 2002) develops, manufactures and distributes instruments, reagents and software that are used for drug discovery, research and development with applications including protein and DNA analysis for genomics and proteomics, cellular screening and bioassays.