

Cardinal Health to acquire J&J's Cordis business unit

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Cardinal Health has announced that it will acquire Johnson & Johnson's (J&J) Cordis business, a manufacturer of cardiology and endovascular devices, for \$1.944 billion in cash, or approximately \$1.594 billion, net of the present value of tax benefits.

The acquisition is expected to be financed with a combination of \$1.0 billion in new senior unsecured notes and the remainder with existing cash.

"We are extremely excited about the acquisition of Cordis. This is a significant step forward in our cardiovascular strategy. Cordis brings with it a long and proud legacy of cardiovascular innovation. This move highlights our commitment to address a major pain point in healthcare systems through innovative new approaches to the management of physician preference items," said Mr George Barrett, chairman and CEO, Cardinal Health.

He added, "This acquisition follows a sequence of strategic moves for Cardinal Health in the areas of cardiology, wound management and orthopedics. We are well-positioned to help customers standardize around mature medical devices, while bringing them innovative solutions around supply chain management, inventory optimization, and work flow tools and data to support the most effective management of the patient."

Once the transaction is complete, the business will report to Mr Don Casey, Cardinal Health's Medical Segment chief executive officer.

"We look forward to drawing heavily on the knowledge and innovative spirit of Cordis team members around the world. Additionally, Cordis' global expertise and footprint provide an exciting opportunity to leverage scale in sourcing and manufacturing," said Mr Casey.

The transaction is expected to close in the United States and key non-US countries towards the end of calendar 2015. The

company expects the acquisition to be increasingly accretive thereafter and assumes that synergies will exceed \$100 million annually by the end of fiscal 2018.