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[Teva Pharmaceutical](#) has announced that it has signed a definitive agreement with Allergan to acquire Allergan Generics in a transaction valued at \$40.5 billion. Upon closing, Allergan will receive \$33.75 billion in cash and shares of Teva valued at \$6.75 billion, representing an estimated under 10 percent ownership stake in Teva.

Teva believes the acquisition will be significantly accretive to non-GAAP EPS, including expected double-digit non-GAAP EPS accretion in 2016 and more than 20 percent accretion in year two and year three following the close of the transaction. The transaction was unanimously approved by the Boards of Directors of Teva and Allergan, and is expected to close in the first quarter of 2016.

"This transaction delivers on Teva's strategic objectives in both generics and specialty," said Mr Erez Vigodman, president and CEO of Teva. He added, "Through our acquisition of Allergan Generics, we will establish a strong foundation for long-term, sustainable growth, anchored by leading generics capabilities and a world-class late-stage pipeline that will accelerate our ability to build an exceptional portfolio of products, both in generics and specialty as well as the intersection of the two. Our respective portfolios of generic medicines and applications are highly complementary, providing Teva with high quality growth and earnings visibility, and the scale and resources to expand upon our specialty capabilities."

Prof. Yitzhak Peterburg, chairman of the Teva Board of Directors, said, "This acquisition will result in significant and sustained value creation for our stockholders, reinforces our strategy, accelerates the fulfillment of a new business model, strongly supports top-line growth and opens a new set of possibilities for Teva. Together with Allergan Generics, Teva will have a much stronger, more efficient platform to achieve our goals, both financially and strategically, with the right platform for future organic and inorganic growth."

