

Alvogen acquires majority of shares in Kunwha Pharmaceuticals 18.10.12

Alvogen announced today that it has entered into an agreement to acquire a majority share in Kunwha Pharmaceuticals ("Kunwha") through a combination of new shares issued by Kunwha to Alvogen and the acquisition of shares owned by Mr. Hongsun Chang, Kunwha's Chairman and related parties.

This transaction represents a next step in Alvogen's strategy to establish a presence in attractive generic pharmaceutical markets globally. Alvogen looks forward to working with Kunwha's existing management and staff in building on the company's strong heritage of customer service in the Korean market. Kunwha will serve as a center of excellence and a platform for Alvogen's products and support services in the Asia Pacific region as Alvogen enters other regional markets in the coming years.

Commenting on the acquisition, Mr. Robert Wessman, Chairman and CEO of Alvogen, said:

"This transaction is an important step in our strategy to build a strong regional player in the exciting Asia-Pacific region. Kunwha is a long-standing company with a broad range of marketed products and an excellent management team and workforce. South Korea provides an opportunity for Alvogen to grow its presence throughout the Asia-Pacific region, where the generic pharmaceutical sector has a higher growth potential than many of the mature Western markets."

Mr. Inwoo Chang, Kunwha Representative Director, added:

"Alvogen's foray into the Korean market through acquisition of Kunwha shares is welcome as it strengthens Kunwha's competitiveness by leveraging Alvogen global supply chain and regional sales network. This strategic partnership further enhances our ability to continuously provide our customers with high quality products and services."

CIMB Securities Ltd. acted as sole financial advisor to Alvogen on this transaction. Kim & Chang acted as legal counsel. **Cosmo USA provided strategic consulting services to this transaction.**