

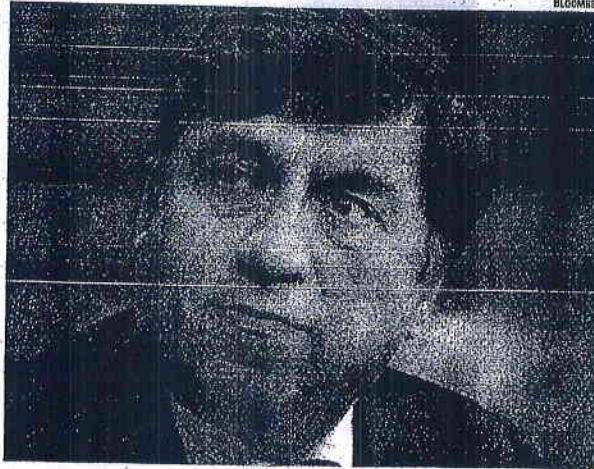
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ACQUISITION TARGET

Reckitt Benckiser looks to buy Pfizer consumer health unit



Expansion plans: A file photo of Reckitt Benckiser CEO Rakesh Kapoor. The company's health unit accounts for about 31% of total revenue.

BY THOMAS BUCKLEY &
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LONDON

Reckitt Benckiser Group Plc. would consider acquiring Pfizer Inc.'s consumer-health unit were it to come up for sale in the wake of the Viagra maker's merger with Allergan Plc.

RB, as the Slough, England-based company now calls itself, would be interested in adding a unit that includes the Advil, ChapStick and Centrum brands to its fast-growing portfolio of consumer-health products such as Nurofen painkillers and Durex condoms, chief executive officer Rakesh Kapoor said on Friday in an interview in London.

The \$160 billion Allergan deal may lead to Pfizer splitting up the enlarged organization, and the New York-based company has said it will decide on a potential separation by the end of 2018.

"If the Pfizer consumer business was to come up for any number of reasons and if it goes through all these processes, would RB be interested to look at it? Yes," Kapoor said.

"I'd be very interested in looking at it." Adding Pfizer's consumer-health business—which generates annual sales of about

\$3.5 billion—would further Kapoor's plan to help consolidate a fragmented industry, where the leading companies control less than 30% of market share.

It would also be Kapoor's first big transaction since the \$482 million deal to license some of Bristol-Myers Squibb Co.'s Latin American brands in February 2013. Last year, Kapoor bowed out of the bidding for Merck & Co.'s consumer unit, saying at the time that "we will not overpay for anything."

Germany's Bayer AG won a heated contest for the business with a bid of \$14.2 billion, well beyond early estimates for the unit, which had sales of about \$1.9 billion from brands such as Claritin allergy remedies.

An eventual disposal of the Pfizer unit is "inevitable," analysts at Exane BNP Paribas said in a note last month.

The division would be a good mid-term acquisition option for Reckitt Benckiser, they said.

Reckitt Benckiser's health unit accounts for about 31% of revenue and has grown sales by more than 10% in each quarter this year, more than double the pace of the company's two other divisions. **BLOOMBERG**

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