

## **Perrigo Company To Acquire OTC Companion Animal Health Company, Velcera, Inc., For \$160 Million**

- Accelerates Perrigo's store brand strategy in the increasingly important OTC adjacent category of retail pet healthcare
- Adds #1 OTC flea and tick value-brand franchise, PetArmor®, to Perrigo's existing product portfolio
- Uniquely positions Perrigo to launch multiple veterinary quality national brand alternatives into the OTC market, enhancing accessibility and affordability for consumers
- Creates opportunity to leverage Perrigo's existing commercial, manufacturing and distribution capabilities

ALLEGAN, Mich., Feb. 1, 2013 /PRNewswire/ -- Perrigo Company (Nasdaq: PRGO; TASE) today announced that it has signed a definitive agreement to acquire Yardley, PA based Velcera, Inc. for \$160 million in cash. The acquisition is expected to close during calendar year 2013 pending the satisfaction of closing conditions, including regulatory approvals.

(Logo: <http://photos.prnewswire.com/prnh/20120301/DE62255LOGO>)

Velcera is a leading companion pet health product company committed to providing consumers with best-in-class pet health products that contain the same active ingredients as branded veterinary products, but at a significantly lower cost. Velcera's products, including the PetArmor® flea and tick products, are available at major retailers nationwide, offering consumers the benefits of convenience and cost savings while providing high-quality care for their pets. Velcera marks Perrigo's second acquisition in the emerging OTC companion animal healthcare market, having recently acquired Sergeant's Pet Care Products, Inc. in October 2012.

Velcera, together with major retail partners, has been instrumental in developing an OTC market for pet health products traditionally dispensed only by veterinarians. Retail sales of the PetArmor® franchise exceeded \$100 million during calendar year 2012, the value-brand's first full year on the market, having launched in April 2011. Velcera sales for the calendar year 2012 were approximately \$60 million. The PetArmor® franchise brand will be supported by a number of pipeline product candidates in both flea and tick and health and wellness categories that will continue to bring additional vet technologies to the hands of consumers in the mass market.

Perrigo Chairman and CEO Joseph C. Papa stated, "We are very pleased to take this next step in expanding our companion animal healthcare business. Velcera's product mix represents a natural extension to the Sergeant's portfolio we acquired last October. The PetArmor® franchise will accelerate our strategy to deliver compelling value to both our retail customers and American consumers. Additionally, we see an excellent opportunity to leverage our existing commercial, manufacturing and distribution capabilities, and our customer base, as we aim to make quality, affordable pet care products available to consumers everywhere."

Assuming the transaction allows for a full twelve months of sales in fiscal 2014, Velcera is expected to be \$0.11 accretive to adjusted EPS and neutral to marginally dilutive to GAAP EPS after the inclusion of intangible amortization, transaction and integration related expenses. The transaction is expected to be ROIC accretive in fiscal 2015.

From its beginnings as a packager of generic home remedies in 1887, Allegan, Michigan-based Perrigo Company has grown to become a leading global provider of quality, affordable healthcare products. Perrigo develops, manufactures and distributes over-the-counter (OTC) and generic prescription (Rx) pharmaceuticals, infant formulas, nutritional

products, dietary supplements and active pharmaceutical ingredients (API). The Company is the world's largest manufacturer of OTC pharmaceutical products for the store brand market. The Company's primary markets and locations of logistics operations have evolved over the years to include the United States, Israel, Mexico, the United Kingdom, India, China and Australia. Visit Perrigo on the Internet (<http://www.perrigo.com>).

*Note:* Certain statements in this press release are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and are subject to the safe harbor created thereby. These statements relate to future events or the Company's future financial performance and involve known and unknown risks, uncertainties and other factors that may cause the actual results, levels of activity, performance or achievements of the Company or its industry to be materially different from those expressed or implied by any forward-looking statements. In some cases, forward-looking statements can be identified by terminology such as "may," "will," "could," "would," "should," "expect," "plan," "anticipate," "intend," "believe," "estimate," "predict," "potential" or other comparable terminology. The Company has based these forward-looking statements on its current expectations, assumptions, estimates and projections. While the Company believes these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond the Company's control. These and other important factors, including those discussed under "Risk Factors" in the Company's Form 10-K for the year ended June 30, 2012, as well as the Company's subsequent filings with the Securities and Exchange Commission, may cause actual results, performance or achievements to differ materially from those expressed or implied by these forward-looking statements. The forward-looking statements in this press release are made only as of the date hereof, and unless otherwise required by applicable securities laws, the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

#### SOURCE Perrigo Company

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