

# Cardinal Health Signs Definitive Agreement to Sell its China Business to Shanghai Pharma

DUBLIN, Ohio, Nov. 14, 2017 /PRNewswire/ -- Cardinal Health (NYSE: CAH) today announced that it has signed a definitive agreement to sell its Cardinal Health China business to Shanghai Pharmaceuticals Holding Co., Ltd. ("Shanghai Pharma") for \$1.2 billion. The transaction is expected to close by the end of Cardinal Health's fiscal year, subject to closing conditions and regulatory clearances.

The sale includes Cardinal Health's pharmaceutical and medical products distribution business in China. Cardinal Health expects that employees, infrastructure and various systems and processes that support this business will move to Shanghai Pharma upon closing of the transaction. The divestiture does not include Cardinal Health's remaining businesses in China, including Cordis, its recently acquired Patient Recovery business, its medical sourcing team or other functions.

"It has been an honor to serve the people of China through our distribution business for the past seven years," said George Barrett, chairman and CEO of Cardinal Health. "We recognize that significant scale is required to be a market leader in China and with that in mind, we are delighted to announce that Shanghai Pharma has agreed to purchase our distribution business in China. We are very proud of the work that our colleagues have done and their accomplishments have allowed us to build a business that is now poised for further growth under its new owners. On behalf of all of us at Cardinal Health, I want to thank the team for their continued commitment, hard work and dedication to our customers and the patients they serve."

Mr. Zhou Jun, chairman of Shanghai Pharma, said, "Amid the national healthcare reform, the acquisition of the Cardinal Health China business will further strengthen our leadership in the distribution and retail pharmacy network, and expedite our transformation to become a modern global healthcare provider. This will also facilitate the growth of our pharmaceutical manufacturing business, enabling us to play a significant role in the Government's 'Healthy China' initiative."

Cardinal Health and Shanghai Pharma look forward to continuing to collaborate and find new opportunities to explore ways to create mutual value both in the U.S. and China.

Cardinal Health also announced that Eric Zwisler, chairman of Cardinal Health China, will retire effective immediately as part of the sale. Barrett said, "On behalf of everyone at Cardinal Health, I'd like to thank Eric for many years of leadership and dedication to our organization. We wish him well in his future endeavors."

Lazard served as Cardinal Health's financial advisor on this transaction, and Jones Day and Jun He LLP, served as its legal advisors.

## **About Cardinal Health**

Cardinal Health, Inc. is a global, integrated healthcare services and products company, providing customized solutions for hospitals, healthcare systems, pharmacies, ambulatory surgery centers, clinical laboratories and physician offices worldwide. The company provides clinically proven medical products and pharmaceuticals and cost-effective solutions that enhance supply chain efficiency from hospital to home. Cardinal Health connects patients, providers, payers, pharmacists and manufacturers for integrated care coordination and better patient management.

Because Cardinal Health helps ensure pharmacists and the consumers they serve have access to medications they need while working to help prevent prescription drug diversion, the company and its education partners created **Generation Rx**, a national program to help prevent the misuse of prescription medications. Backed by nearly 100 years of experience, with approximately 50,000 employees in nearly 60 countries, Cardinal Health ranks #15 on the Fortune 500. For more information, visit [cardinalhealth.com](http://cardinalhealth.com), follow [@CardinalHealth on Twitter](https://twitter.com/CardinalHealth) and connect on LinkedIn at [linkedin.com/ company/cardinal-health](https://www.linkedin.com/company/cardinal-health).

#### **About Shanghai Pharmaceuticals Holding Co., Ltd.**

Shanghai Pharmaceuticals Holding Co., Ltd. ("Shanghai Pharma" or the "Company") is a leading pharmaceutical group with business extending across the entire value chain. It is dual listed on the Shanghai Stock Exchange (Stock code: 601607) and the Hong Kong Stock Exchange (Stock code: 2607). The Company is engaged in the research and development, manufacturing, distribution and retail of pharmaceutical products and innovative healthcare services. Its revenue and profit sustained growth at CAGR of 15.4% and 11.7% from 2011 to 2016 reaching RMB120.8 billion and RMB3.8 billion respectively. As Shanghai Pharma aims to become a leading, globally competitive healthcare group, it continues to achieve greater economies of scale through both organic growth and acquisitions, and is well positioned to capture greater market opportunities through innovation-driven solutions. Shanghai Pharma is ranked No. 2 among Chinese pharmaceutical companies according to Forbes 2016 Global 2000. For more information, please visit <http://www.sphchina.com/>.

#### **Cautions Concerning Forward-Looking Statements**

This release contains forward-looking statements addressing Cardinal Health's plans to divest its Cardinal Health China business and other statements about future expectations, prospects, estimates and other matters that are dependent upon future events or developments. These statements may be identified by words such as "expect," "anticipate," "intend," "plan," "believe," "will," "should," "could," "would," "project," "continue," "likely," and similar expressions, and include statements reflecting future results, trends or guidance, statements of outlook and expense accruals. These matters are subject to risks and uncertainties that could cause actual results to differ materially from those projected, anticipated or implied. These risks and uncertainties include: the ability to successfully complete the divestiture on a timely basis, including receipt of required regulatory approvals and satisfaction of other closing conditions Cardinal Health is subject to additional risks and uncertainties described in Cardinal Health's Form 10-K, Form 10-Q and Form 8-K reports and exhibits to those reports. This release reflects management's views as of November 14, 2017. Except to the extent required by applicable law, Cardinal Health undertakes no obligation to update or revise any forward-looking statement.

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