

**Teva enters joint venture in South Korea**

**Teva will sell both innovative and generic products via Korean company Handok Pharmaceuticals.**

17 December 12 09:32, **Yossi Nissan**

[Teva Pharmaceutical Industries Ltd.](http://www.tevapharm.com) (NYSE: TEVA; TASE: TEVA) is entering the Korean pharmaceutical market, which it says is worth $14 billion. Teva and Handok Pharmaceuticals Co., Ltd. (KRX:002390) have agreed to establish a business venture in South Korea. Teva will contribute its global resources, with responsibilities for manufacturing and supplying a wide range of affordable and innovative medicines. Handok’s primary responsibility will be in sales and marketing, distribution, and regulatory affairs. Teva will have a controlling stake in the new business venture, with a profit split of 51%/49% to Teva and Handok, respectively. No further financial details were disclosed.

"This is another significant step in our strategy to expand Teva’s presence in growing markets and excluding Japan, this is our first alliance in East Asia,” said Prof. Itzhak Krinsky, chairman of Teva Japan, chairman of Teva South Korea, and Head of Business Development Asia Pacific. “By utilizing Teva’s broad portfolio, R&D capabilities and its global infrastructure and know-how coupled with Handok’s expertise and strong reputation in Korea, Teva and Handok plan to assume a prominent position in the Korean pharmaceutical market. The business venture will enable patients to gain more access to the treatments they need including innovative therapies, such as our multiple sclerosis treatment Copaxone and branded generics."

Handok CEO Young-jin Kim said, "We are glad to open up new business opportunities through this business venture with Teva, which has a broad, unparalleled portfolio of innovative specialty therapeutics, generics, biosimilars and innovative medicines. We expect a synergy from this business venture to contribute greatly to the Korean pharmaceutical industry by supplying medicines at more affordable prices and providing innovative treatment solutions for CNS, respiratory and women’s health."

The venture is expected to commence activities in the next few months, subject to receipt of applicable regulatory approvals.

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**Questions**

1. Define the term joint venture [2 marks]

b. Evaluate Teva’s decision to enter the Joint Venture with Handok [10 marks]