

THE TALENT

Cadwalader, Simpson Thacher, White & Case on \$2.38B KKR-Pfizer Deal

Posted by Drew Combs

Pfizer Inc., the world's largest pharmaceutical company, agreed to sell its Capsugel division to private equity firm Kohlberg Kravis Roberts & Co. for \$2.38 billion. The deal, announced Monday, follows an October 2010 announcement by Pfizer that it was exploring the sale of its pill-capsule manufacturing business.

Capsugel, which produces about 180 billion hard capsules a year, generated \$750 million in revenue last year. The company will be added to a KKR portfolio of more than 60 companies with more than \$210 billion in annual revenue.

Pfizer's legal advisers were Cadwalader, Wickersham & Taft and White & Case. The Cadwalader team included corporate partners Dennis Block and William Mills, tax partners Linda Swartz and Richard Nugent, and finance partner Stewart Kagan. White & Case did not immediately respond to inquiries regarding its role in the deal.

KKR was represented by a team of lawyers at Simpson Thacher & Bartlett led by New York-based M&A partner Sean Rodgers. Additional corporate department partners involved in the deal were James Cross, Richard Fenyes, and Joyce Xu in New York, as well as Shaolin Luo in Beijing.

Other New York-based Simpson Thacher partners on the team were Nancy Mehlman in the tax department, Alvin Brown in the executive compensation and employee benefits practice group, Lori Lesser in the IP transactional practice group, and litigator Joseph Tringali. London-based litigator David Vann rounded out the team.

The transaction is expected to close in the third quarter, if approved by regulators in the United States, the European Union, and other jurisdictions.

Wall Street analysts expect Pfizer and other drug companies to divest business as drug sales decline.