

# Abbott Will Pay \$560M to Acquire 2 Med Tech Firms

The Associated Press

Abbott Laboratories announced Monday it would pay a combined \$560 million to acquire two privately-held companies focused on coronary implants and laser-assisted eye surgery.

The acquisitions of Idev Technologies and OptiMedica Corp will help the health care company expand its medical device offerings, a half-year after it spun off its main pharmaceutical offerings into a separate company. In January Abbott completed the spin-off of the drugmaker Abbvie, leaving it with a business model built around generic drugs, medical implants and nutritional formula. Abbvie markets company's branded prescription drugs, including the blockbuster Humira.

Abbott said Monday it will pay \$310 million in cash and debt for Webster, Texas-based Idev Technologies, which markets a stent used to treat blockages in the limbs. The stent, called Superva Veritas, is a self-expanding mesh tube marketed in Europe to promote blood flow, particularly in vessels in the thigh and knee. In the U.S. the stent is marketed to treat narrowing of bile ducts caused by cancer.

The transaction is expected to close by the end of the year and will not impact the company's annual guidance. Abbott already sells the best-selling drug-coated stent, Xience, to treat patients with coronary artery disease.

In a separate announcement, Abbott said it would pay \$250 million in cash for Silicon Valley-based OptiMedica Corp., which makes a computerized laser used in cataract surgery. Abbott will pay up to \$150 million in milestone payments for reaching certain sales and regulatory goals.

OptiMedica's Catalys Precision Laser System replaces some of the manual steps required of surgeons when replacing the lens of the eye during cataract surgery.

Surgery for cataracts involves removing the clouded lens and replacing it with an artificial implant lens. Nearly 22 million cataract procedures will be performed globally in 2013, according to industry figures.

Leerink Swann analyst Danielle Antalffy said in a note that the acquisitions are "positive strategically." However, she noted that Abbott is being pressured by weakness in the global economy, particularly sales of nutritionals in China.

"We remain cautious on 2013 guidance," Antalffy said, reaffirming a "Market Perform" rating for the stock.

In midday trading, shares of North Chicago, Ill.-based Abbott fell 8 cents to \$35.23.

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