

Genzyme board rejects Sanofi bid

August 30 2010

The board of directors at US biotechnology firm Genzyme has unanimously rejected an [18.5-billion-dollar takeover offer](#) from French pharmaceutical giant Sanofi-Aventis, Genzyme said Monday.

"The Genzyme board of directors met last (Sunday) night (and) unanimously affirmed its previous rejection of Sanofi's proposal," the company said in a statement.

A letter to Sanofi [management](#), signed by Genzyme chief executive Henri Termeer, recalled that the board had turned down an earlier offer on August 11.

The latest proposal, it said, "provides no new information and no improvement in price, and therefore fails to establish a basis for engagement by the Genzyme board."

It added that the board was "not prepared to engage in merger negotiations with Sanofi based upon an opportunistic proposal with an unrealistic starting price that dramatically undervalues our company."

Speaking during a telephone conference call, Sanofi chief executive Chris Viehbacher said Genzyme's response was "not surprising."

In an interview appearing Monday in the French financial newspaper Les Echos, Viehbacher said he was in no hurry to pursue a bid to acquire Genzyme.

"We want to show our determination and our seriousness, without appearing to be threatening right away," he told the paper.

"There is still lots of time."

Sanofi-Aventis unveiled its latest 18.5-billion-dollar (14.5-billion-euro) offer for Genzyme on Sunday, hinting it might launch a hostile bid.

Sanofi said it was disclosing to Genzyme's shareholders the contents of its offer, which it initially made in July, after the company's management rejected it on August 11 and declined to enter into talks.

Sanofi said it preferred to enter into constructive talks with Genzyme's management but failing that it was "prepared to consider all alternatives to successfully complete this transaction."

A Sanofi spokesman stressed that for the moment this "is not a hostile offer ... but a proposal addressed to Genzyme's management."

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