

Cephalon biotech rejects \$5.7 billion Valeant bid

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US biotech group Cephalon has rejected a hostile, \$5.7 billion acquisition bid from its Canadian rival Valeant, which counter-attacked by seeking to replace the firm's board of directors.

Ontario-based Valeant, which specializes in neurological and dermatological drugs, had proposed on March 30 to pay \$73 per share, a 30-percent prime on a 30-day average of \$56.74 that Cephalon noted was near the stock's 52-week low.

It dismissed Valeant's non-binding proposal as "inadequate," "opportunistic" and "not in the best interests of Cephalon's shareholders", in a statement.

The offer had significantly undervalued the company, it added.

"The board believes that the Valeant non-binding proposal is an opportunistic attempt by Valeant to shift this value to Valeant and its shareholders and away from the company's shareholders."

In response, Valeant has submitted a filing with the US [Securities and Exchange Commission](#) to replace all of Cephalon's board, proposing seven new directors.

"While we are disappointed with the response from Cephalon's board, we remain committed to our process, which includes trying to find a modest amount of additional value if Cephalon engages with us and

allows us to conduct due diligence, which we believe would take only two-three weeks," said Valeant chairman and CEO J. Michael Pearson.

Cephalon indicated its shareholders would have 60 days starting Friday to give their consent to the latest offer.

"We continue to strongly believe that it is in the best interests of both Valeant's and Cephalon's stockholders to resolve this matter quickly, one way or the other," Pearson said.

"Valeant will move fast. We had hoped that Cephalon would do the same. Now, it will be in the stockholders' hands."

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