

AstraZeneca fends off Pfizer with new growth plan

May 6 2014, by Sylvia Hui



An exterior view of the Two Kingdom Street building which houses the headquarters of AstraZeneca, in the Paddington area of London, Friday, May 2, 2014. The board of pharmaceutical company AstraZeneca on Friday rejected drug maker Pfizer's sweetened takeover offer. Pfizer earlier in the day said it is offering 50 pounds (\$84) a share in cash and stock, a 7.3 increase on a previous bid. The offer values AstraZeneca at \$106 billion. (AP Photo/Matt Dunham)

AstraZeneca on Tuesday outlined plans to make sales jump over the next decade, an effort to persuade shareholders the drug maker can do well as

an independent company, rather than get bought out by rival Pfizer.

In a statement, AstraZeneca said investors would share the benefits of a "strong and consistent revenue growth" that would see annual sales rise to more than \$45 billion by 2023 from \$25.7 billion last year.

The U.K.-based company on Friday spurned Pfizer's third acquisition proposal, this time for about \$106 billion. AstraZeneca PLC, the No. 8 drugmaker, called that inadequate and said the potentially lucrative "pipeline" of new drugs it is developing would be disrupted by a takeover.

AstraZeneca's revenues last year fell 6 percent but the company said Tuesday that under its new management and strategy it is now "repositioned for a return to growth."

"AstraZeneca is completing its transformation, and now has the right size, focus and team to deliver on one of the most exciting pipelines in the pharmaceutical industry," said Chief Executive Pascal Soriot. "We are continuing to create significant value for shareholders from our independent strategy."

Pfizer said last week it was considering its options. If the deal succeeds, it would be the biggest takeover in British corporate history. Many politicians fear it could mean big job cuts and a loss of stature in the country's science sector.

On Tuesday, Business Secretary Vince Cable told lawmakers he will not rule out intervening in any formal bid by Pfizer to buy AstraZeneca, although he stressed that the shareholders of both companies make the ultimate decision.

"We see the future of the U.K. as a knowledge economy, not as a tax

haven," he said, referring to concerns that Pfizer could benefit from tax advantages should it acquire AstraZeneca.

The British government can intervene in mergers or takeovers in cases where national security, competition concerns or national financial stability, among other issues, are at stake.

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