

Pfizer argues for AstraZeneca deal in web videos

May 10 2014, by Bernard Condon

Pfizer posted videos online Saturday in its latest effort to win over critics of its proposed purchase of British drugmaker AstraZeneca.

In four videos on Pfizer's website, CEO Ian Read sought to allay concerns that the deal would lead to a loss of stature in science in the United Kingdom. He said Pfizer had expanded its research in Cambridge, Massachusetts, and envisions pursuing a similar strategy for Britain's Cambridge, north of London, where many scientists work.

Pfizer has been trying to buy its British rival since January, but has been rebuffed three times. AstraZeneca has said Pfizer's latest offer of \$106 billion in cash and stock undervalues the company and that a takeover would disrupt its work on a potentially lucrative pipeline of new drugs.

The proposed deal would be the largest foreign takeover of a British company. It has drawn scrutiny from politicians on both sides of the Atlantic who fear a loss of jobs.

The deal would include Pfizer moving its official domicile—but not its corporate offices—to London. That would reduce Pfizer's income tax rate, because U.S. rates are considerably higher than in the United Kingdom.

Earlier this month, Pfizer sent a letter to Prime Minister David Cameron promising to keep at least 20 percent of the combined company's research and development staff in the U.K. The letter also called the

"golden triangle of Oxford, Cambridge and London"—where the bulk of British scientific research is based—a vital component of the deal.

Pfizer is under pressure as generic makers dig into sales of some of its off-patent drugs, particularly cholesterol fighter Lipitor, the top-selling drug of all time. At its peak, Lipitor generated nearly \$13 billion in revenue.

The proposed deal comes amid a spate of mergers and acquisitions in the pharmaceutical industry.

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