

Pfizer underscores UK commitments in memo (Update)

May 12 2014, by Danica Kirka



In this Friday, May 2, 2014 file photo, an exterior view of the Two Kingdom Street building which houses the headquarters of AstraZeneca, in the Paddington area of London. Pfizer Inc. has sought to allay concerns over its proposed \$106 billion takeover offer of the Anglo-British firm AstraZeneca, insisting that its promises will be legally binding. In a memo Monday, May 12, 2014 to two parliamentary committees studying its proposed takeover, the U.S. drugmaker laid out its vision ahead of testimony before the science and business committees. Crucially, the company sought to ease worries that British jobs will be lost and that the nation's science base will be undermined by the potential merger. (AP Photo/Matt Dunham, File)

Pfizer Inc. has sought to allay concerns over its proposed \$106 billion takeover offer of Anglo-Swedish pharmaceuticals firm AstraZeneca, insisting that its promises will be legally binding.

In a memo Monday to two U.K. parliamentary committees studying its proposed overture, the U.S. drugmaker laid out its vision ahead of its testimony before the science and business committees. Crucially, it sought to ease worries that British jobs will be lost and that the nation's science base eroded by the potential merger.

It repeated promises to complete AstraZeneca's research and development hub in Cambridge and to establish the new company's tax residence in England.

"Delivering on these commitments will make us a stronger company that delivers benefits to patients, value to shareholders, and creates and protects high value jobs," the memo said.

The maker of Viagra has already written to U.K. Prime Minister David Cameron to offer commitments, but the memo bolstered the message, saying the promises were "binding as a matter of English law."

The cash and stock deal has become politically fraught, with much of the debate centering on whether Pfizer can be trusted to honor promises in what would be the biggest foreign takeover of a British business. Cameron has been accused by the opposition Labour Party of being a cheerleader for the deal.

The British leader was forced Sunday in a BBC interview to reject the notion that he was favoring Pfizer. But he also said Britain should not "put up the drawbridge" to outside investment.

Pfizer has made three approaches to AstraZeneca since January—all of

which have been rejected. AstraZeneca said Pfizer's latest offer undervalues the company and that a takeover would disrupt its work on a potentially lucrative pipeline of new drugs.

The potential deal comes amid a spate of mergers among pharmaceutical companies, who are seeking to find new ways to grow as generic drugmakers move in to make cheaper versions of products with expiring patents.

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