

## Otsuka to buy US drugmaker Avanir for \$3.5B

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Otsuka Pharmaceutical will spend \$3.5 billion in cash to buy Avanir Pharmaceuticals in a deal that expands the Japanese drugmaker's portfolio of neurologic disease treatments.

Avanir shareholders will receive \$17 per share, according to the agreement announced Tuesday. That represents a 13 percent premium over Avanir's closing price Monday.

Avanir makes Nuedexta, which treats a condition called pseudobulbar affect. The ailment is tied to diseases like multiple sclerosis or traumatic brain injuries and involves involuntary emotional outbursts such as laughing or crying. Nuedexta, which Avanir launched in the United States in 2011, brought in \$94 million in revenue in the year that ended last June.

Avanir Pharmaceuticals Inc., based in Aliso Viejo, California, was founded in 1988 and employs about 500 people. It also has developed a treatment, now in late-stage testing, for agitation associated with Alzheimer's disease. Its pipeline of drugs under development also includes potential Parkinson's disease and migraine treatments.

Otsuka Pharmaceutical Co. Ltd. employs more than 28,000 people and is a subsidiary of Otsuka Holdings Co. Ltd.

The boards of both companies have approved the deal, which is expected to close in next year's first quarter.

Shares of Avanir jumped nearly 13 percent, or \$1.91, to \$16.91 Tuesday, hours before markets opened. The stock has soared since closing 2013 at \$3.36.

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