

# Horizon takes hostile Depomed bid directly to shareholders

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Horizon Pharma is pushing ahead with its hostile, \$2.4-billion bid to buy Depomed by starting an offer to exchange a portion of its stock for shares of the rival drugmaker.

Horizon Pharma makes the rheumatoid arthritis drug Duexis. Depomed has a portfolio that includes the migraine drug Cambia and the painkiller Nucynta ER.

Dublin-based Horizon said Tuesday that it will trade 0.95 of its shares for each Depomed share in an offer scheduled to expire in November.

The offer is worth \$33 per share and represents a 60 percent premium to the \$20.64 closing price of Depomed [stock](#) in early July, before Horizon went public with its acquisition proposal.

Depomed said its board will carefully review the exchange offer and then detail its position to shareholders in a regulatory filing.

The Newark, California-based drugmaker has already rejected the \$33 per-share [bid](#), saying it does not reflect the value Depomed would bring to a combined company. That bid represented an increase from a previous offer worth about \$2.1 billion, or \$29.95 per share.

Depomed's board also has adopted a "poison pill" measure that aims to thwart a hostile takeover attempt by essentially making it too expensive.

Horizon Pharma Plc., which owns a 3.7 percent stake in Depomed, is also asking that drugmaker's stock owners to call special meetings to vote on replacing its board of directors.

This comes more than a month after Horizon asked Depomed to set a shareholder vote on its bid and filed a lawsuit challenging the poison pill provision.

U.S.-traded shares of Horizon rose 43 cents to \$29.83, as broader indexes also jumped nearly 2 percent shortly after markets opened Tuesday. Depomed climbed 21 cents to \$26.87. That stock price has soared more than 65 percent so far this year.

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