

## France's Sanofi makes \$9.3 bn bid for US cancer drug giant (Update)

April 28 2016

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French pharmaceutical giant Sanofi revealed Thursday it has made an unsolicited all-cash \$9.3 billion (8.2-billion-euro) takeover offer for Medivation, a US drug firm that manufactures one of the world's top prostate cancer treatments.

Sanofi chief executive Oliver Brandicourt said he had first approached the San Francisco-based firm more than a month ago but got a cool reception.

Sanofi, the 11th largest pharmaceutical company in the world by stock market valuation, said it decided to make public a letter from Brandicourt to Medivation chief executive David Hung, expressing frustration over the response to its offer.

"During our first call on March 25, you said that you were unwilling to meet, and in our subsequent conversation on April 3 you said that, after a review with your board, there was no interest in discussing a transaction," Brandicourt wrote.

Given the unwillingness to meet, the Sanofi boss said his company had sent a written, non-binding offer on April 15 of \$52.50 a share in cash.

### **'We do not understand delay'**

"We have not heard anything from you for almost two weeks, other than

an acknowledgement of receipt of our letter. We do not understand the delay in responding to our letter," Brandicourt wrote.

The offer represented a "very substantial premium" to the price of the shares on the market, he added. "In these circumstances we believe it is appropriate to make this letter public, which we are doing today."

Sanofi said it had reviewed Medivation's business based on publicly available information and believed it could swiftly wrap up a deal.

Medivation notably makes leading and pricey prostate cancer drug Xtandi.

"Thanks to Medivation's excellent prostate cancer treatments, we believe that a merger with Medivation would benefit patients and, at the same time, create value for shareholders in both companies," Brandicourt said.

Medivation confirmed it had received the takeover bid and was evaluating the offer.

"As today's public disclosure of this proposal does not differ materially from the private correspondence received less than two weeks ago, the board expects to complete its review of the proposal at a scheduled meeting today and will provide an update promptly thereafter," it said in a statement.

In the meantime, Medivation advised its shareholders to take no action.

"It is very likely Sanofi will have to raise its offer price," said Sebastien Malafosse, analyst at Oddo Securities.

Medivation shares were trading at \$56 a share on Thursday. They peaked in March 2015 at close to \$68.

If the bid is accepted, it would be Sanofi's biggest acquisition since it bought the US biotech group Genzyme in 2011 for more than \$20 billion.

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