

# Valeant agrees to pay about \$2.6B for Medicis

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(AP)—Valeant Pharmaceuticals International Inc. has agreed to buy dermatology products maker Medicis Pharmaceutical Corp. for about \$2.6 billion in cash in a deal to strengthen its position in skin treatments and care.

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Montreal-based Valeant said Monday that it has agreed to pay \$44 per share for Medicis, a 39 percent premium over Friday's closing price of \$31.87 for the Scottsdale, Arizona, target company.

The boards of both companies have approved the deal. It needs approval by Medicis shareholders and regulatory clearance. The companies hope to complete the deal in early 2013.

Valeant Chairman and CEO J. Michael Pearson said the deal would be "a significant next step" toward making his company the leader in dermatology by expanding its products to treat acne as well as injectable aesthetic products.

The combined company's commercial dermatology operations would be based in Scottsdale, and will operate under the Medicis name, the companies said. Its research and development operations would operate in Canada, Arizona and California. Corporate support functions would be based mostly in New Jersey.

The chairman and CEO of Medicis, Jonah Shacknai, called the offer compelling and said the combined portfolio of products under the Medicis name would be able to capitalize on opportunities in the markets for dermatology and aesthetic treatment.

Medicis' prescription brands include Solodyn, Perlane, Ziana and Dysport.

Valeant expects the deal will produce cost savings at an annual rate of \$225 million within six months of closing.

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