

Big pharma deals: Mylan raises bid for Perrigo to \$35.6 bn

29 April 2015

Generic drug company Mylan raised its bid for a second time for Perrigo on Wednesday, offering \$35.6 billion for the over-the-counter giant.

Mylan, which itself is fending off a takeover bid from generics giant Teva, offered \$75 in cash and 2.3 Mylan shares for each Perrigo share. The latest offer amounts to \$232.23 per Perrigo share, Mylan said.

But Perrigo, which rejected the last two bids as too low, again balked at the latest proposal. Perrigo said the latest offer values it at just \$202.20 per share based on Mylan's value on March 10 before speculation of a Teva bid lifted Mylan shares.

That is below the \$205 per share in Mylan's initial offer, Perrigo said.

"Today's announcement from Mylan continues to propose a price lower than the previously rejected proposal," Perrigo said.

A Mylan-Perrigo tie-up would create a company with more than \$15 billion in annual sales and generate \$800 million in annual savings from operational synergies, according to Mylan.

Mylan chief executive officer Heather Bresch said a combination with Perrigo would create "a one-of-a-kind global healthcare company" with "complementary businesses and cultures, unmatched scale in its operations and infrastructure, broad and diverse portfolio, and immense reach across distribution channels around the world."

But Perrigo has shown no appetite for such a deal so far.

Mylan's unsolicited offers to Perrigo come as it fights a comparable campaign launched by Israeli giant Teva to buy Mylan and build a global behemoth in generic drugs.

On Monday, Mylan dismissed Teva's \$40.1 billion offer as both "grossly" low and insincere, "a mere attempt by Teva to frustrate and distract Mylan from its business plan and strategy."

In midday trade, Perrigo shares rose 0.2 percent to \$186.80, Mylan rose 1.4 percent to \$73.76 and Teva gained 0.3 percent to \$61.49.

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