

Pfizer Wins Over Medivation With \$14B Buyout

By **Chelsea Naso**

Law360, New York (August 22, 2016, 7:42 AM ET) -- U.S. pharmaceutical giant Pfizer on Monday revealed a \$14 billion deal for Medivation, a buyout that comes after the oncology-focused biotech company sought to fight off a takeover from French drugmaker Sanofi.

Pfizer Inc. will shell out \$81.50 per share in cash for Medivation Inc., marking a substantial premium to the \$52.05 per share hostile bid unveiled by Sanofi SA in April. The deal stands to further strengthen Pfizer's position in the oncology field, particularly with Medivation's XTANDI drug, a hormone therapy that targets tumors, according to a statement.

"The addition of Medivation will strengthen Pfizer's Innovative Health business and accelerate its pathway to a leadership position in oncology, one of our key focus areas, which we believe will drive greater growth and scale of that business over the long-term. This transaction is another example of how we are effectively deploying our capital to generate attractive returns and create shareholder value," Ian Read, Pfizer's chairman and CEO, said in a statement.

Aside from XTANDI, Medivation also boasts a "promising" late-stage oncology pipeline, Pfizer said. Two development stage standouts include talazoparib, an enzyme inhibitor for the treatment for BRCA-mutated breast cancer and potentially other tumors, and pidiluzimab, an immuno-oncology drug for the treatment of large B-cell lymphoma and other blood cancers, according to a statement.

Medivation lauded the deal as an opportunity to achieve a new level of growth under Pfizer's guidance.

"We believe the combination with Pfizer is the right next step in our growth trajectory and is a testament to the passion and dedication by which the Medivation team has delivered on our mission to profoundly transform patients' lives through medically innovative therapies," David Hung, M.D., Medivation's founder, president and CEO, said in a statement. "We believe that Pfizer is the ideal partner to extend the reach of our blockbuster XTANDI franchise and take our promising, late-stage assets — talazoparib and pidiluzimab — to their next stages of development so that they can be made available to patients as quickly as possible."

The deal comes after French drugmaker Sanofi SA attempted to takeover the company with a \$9.3 billion buyout offer in April. Medivation's quick rejection soon boiled over into a hostile takeover campaign, with Sanofi attempting in May to oust the oncology drugmaker's entire board of directors.

As the back-and-forth continued to heat up, Medivation in July entered into a confidentiality

agreement with Sanofi and a handful of other unidentified potential suitors. The decision to explore a sale reportedly came after Medivation also drew interest from Pfizer and Amgen.

For Pfizer, the deal comes after the U.S. pharmaceutical giant rolled out a \$5.2 billion cash play for dermatological treatment developer Anacor in May, its first big-ticket transaction since scrapping a record inversion deal with Irish drugmaker Allergan.

Pfizer said it plans to fund its acquisition of Medivation with cash on hand.

The deal is subject to regulatory approvals, including U.S. antitrust clearance, and the tender of a majority of Medivation's outstanding shares. Pfizer expects the deal to close during the second half of 2016.

Pfizer is being advised by Ropes & Gray LLP, while Guggenheim Securities and Centerview Partners are serving as financial advisers.

The Ropes & Gray team includes M&A partner Christopher Comeau, securities and public companies partner Paul Kinsella, tax partner David Saltzman, benefits partners Renata Ferrari and Jenny Rikoski, business and securities litigation partner Peter Welsh, government enforcement partners Alexandre Rene and Joshua Levy, real estate partner Peter Alpert, and securities & public companies associates Tara Fisher, Jessica Unger and Benjamin DiCamillo.

Medivation is being advised by Cooley LLP and Wachtell Lipton Rosen & Katz, while J.P. Morgan Securities and Evercore are serving as financial advisers.

The Cooley team includes Jamie Leigh, Kenn Guernsey, Ben Beerle, Anne Lieberman, Ben Maida, Barbara Kosacz, Marty Schenker, Jacqueline Grise, Tanisha James, Barbara Mirza, Thomas Welk, Natasha Leskovsek, Cydney Posner, Brett White, Devon Hanley Cook, Lisette Sell, Alyssa Ohanian, Susan Cooper Philpot, Patrick Gibbs and Sarah Lightdale.

A Fried Frank including corporate partners Philip Richter and Warren de Wied and associate Roy Tannenbaum advised Evercore.

--Additional reporting by Braden Campbell, Matthew Pearlman and Benjamin Horney. Editing by Sarah Golin.