

UK lawmakers slam Pfizer's \$106-bn AstraZeneca offer

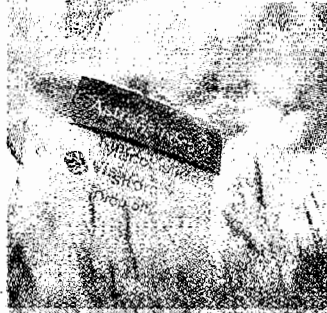
London, May 13: US drug-maker Pfizer hinted it could raise its proposed \$106-billion offer if AstraZeneca engaged in talks, as its boss was grilled by UK lawmakers on his commitment to British research spending and jobs.

In response, AstraZeneca said it would have to consider a compelling offer but accused Pfizer of an "opportunistic" proposal with a ploy to cut taxes that risked its reputation.

Pascal Soriot, the French-born boss of AstraZeneca, came out fighting after Pfizer's chief executive Ian Read made clear the New York-based group would not rule out a hostile bid if Britain's second-biggest drugmaker did not enter merger talks.

Having warned that AstraZeneca could wither without its financial muscle, Pfizer expressed its frustration at being rebuffed, and said on Tuesday that working with the UK company's board could help deliver "optimal deal terms" which AstraZeneca could recommend to its shareholders.

Soriot - who appeared after Read to answer questions from a parliamentary select committee - said Pfizer's proposal risked disrupting its research and development work and delaying getting life-saving new drugs to market, as well as undervaluing



Valeant plans to 'improve' offer for Allergan

May 13: Valeant Pharmaceuticals International said on Tuesday it planned to "improve" its \$47-billion takeover offer for drugmaker Allergan, a day after the US company rejected the bid. Allergan shares rose 2% to \$162.75 in pre-market trading. Canada's Valeant said it would make the change to its cash and stock offer at a May 28 webcast in which it will discuss details of its plans for Allergan's business. *Reuters*

the business.

"What will we tell the person whose father died from lung cancer because one of our medicines was delayed - and essentially was delayed because in the meantime our two companies were involved in saving tax and sav-

ing costs?" he asked lawmakers. Pfizer's plan to cut its tax bill by re-domiciling to Britain if it buys AstraZeneca also posed a reputational risk, Soriot added.

"The proposed tax inversion structure, we are afraid, could generate substantial controversy and potentially delay this merger and potentially impact the reputation of our company."

AstraZeneca rejected Pfizer's May 2 cash-and-stock offer worth 50 pounds a share and said it had a bright future as an independent business. But by midday on Tuesday, its shares had risen 1.5% on anticipation it would have to consider another proposal.

"If Pfizer continues to aggressively pursue the deal by raising the price, then AstraZeneca's board would have to little choice but to engage," said Ketan Patel, an analyst at Ecclesiastical Investment Management, a holder of AstraZeneca shares.

Pfizer is widely expected to come back with a sweetened offer for AstraZeneca this week, although people with knowledge of the matter said it was likely to wait until after the parliamentary hearings to make any new move. Both chief executives will appear before another panel on Wednesday to answer questions about the science aspects of the deal. *Reuters*

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