BioSpectrum
the business of Bio & Health Sciences
ASIA EDITION

Otsuka to acquire Astex for $866 mn in cash

September 6, 2013 | News | By BioSpectrum Bureau

Otsuka to acquire Astex for $886 mn ($8.50 per share) in cash

Singapore: The boards of directors of Otsuka Pharmaceutical and Astex Pharmaceuticals have unanimously approved a transaction under which Otsuka will acquire all of the outstanding shares of Astex for $8.50 per share in cash representing a 48 percent premium to the average closing stock price for the prior 30 day period.

The purchase price represents a fully diluted equity value of approximately $886 million, calculated using the treasury stock method. Otsuka intends to effect the transaction through a tender offer and expects to close the transaction early in the fourth quarter of 2013, subject to the satisfaction of customary closing conditions.

The acquisition of Astex adds to Otsuka's existing discovery capabilities and pipeline of therapeutic products for neuroscience, cardiovascular, and oncology indications, and it provides Otsuka with Pyramid, the proven, world-class drug discovery platform developed by Astex. Otsuka's approved products in the US include, Abilify (aripiprazole), Samsca (tolvaptan) and IV Busulfex (bulsufan).

Dr James SJ Manuso, chairman and chief executive officer, Astex Pharmaceuticals, "We believe that Otsuka's financial resources and development expertise will enhance Astex's ability to build further its oncology portfolio, pipeline, and discovery prowess. This transaction recognizes the meaningful assets our employees have created. Most importantly, however, patients will benefit substantially from the larger drug discovery, development and commercialization platform a combined Otsuka and Astex will deliver."

Dr Taro Iwamoto, president and representative director, Otsuka Pharmaceutical, remarked, "I hope that this acquisition of Astex will strengthen not only our cancer portfolio but also our drug discovery research in the central nervous system field, through the acquisition of Astex's fragment-based drug design technology at its Cambridge, England research headquarters and its California clinical oncology R&D department. Astex's unique fragment-based drug discovery technology and clinical oncology research and development capabilities, born out of the passion of its researchers, exemplify our corporate mottos and belief in Sozosei (Creativity) and Jissho (Proof through Execution). I would like Otsuka Pharmaceutical to continue to respect Astex's uniqueness and leverage it to bring further growth for Otsuka Pharmaceutical."

Jefferies is acting as exclusive financial advisor to Astex and Wilson Sonsini Goodrich & Rosati PC is serving as Astex's legal counsel. Goldman Sachs is acting as exclusive financial advisor to Otsuka and Skadden, Arps, Slate, Meagher & Flom is serving as Otsuka's legal counsel.