

Pfizer To Buy King Pharmaceuticals For \$3.6 Billion

NEW YORK (AP) — Pfizer Inc., the world's largest pharmaceutical company by revenue, said Tuesday it will buy pain drug maker King Pharmaceuticals Inc. for \$3.6 billion in cash.

Pfizer is paying \$14.25 per share for King. That's a premium of 40 percent to the stock's Monday closing price of \$10.15. In the deal Pfizer gains products including the pain drug Avinza and EpiPen, a pre-filled injection designed to quickly treat serious allergic reactions.

The deal is Pfizer's largest since it bought rival Wyeth for \$68 billion in 2009. That deal closed last October.

King has struggled in recent years as patents on several of its key drugs have expired or been thrown out. But the Bristol, Tenn., company is heavily involved in developing pain drugs that are intended to be abuse-resistant. Abuse of pain drugs like oxycodone has become a major concern for health officials and regulators in recent years. The drugs are often crushed or dissolved to defeat their time-release mechanisms, allowing users to get high.

King's Embeda is one pain treatment that is designed to resist abuse attempts. King plans to file new applications for two similar drugs in the next few months, filing for approval of Remoxy in the fourth quarter of 2010 and Acurox in the first quarter of 2011. Remoxy and Embeda are extended-release drugs, while Acurox releases its painkilling ingredient immediately.

King's other products include the bleeding control drug Thrombin-JMI and the Flector pain patch. Pfizer's pain drugs include Celebrex and Lyrica.

The boards of both companies approved the deal. Pfizer said the purchase will add about 2 cents per share to its net income in 2011 and 2012, and 3 to 4 cents per share in each of the next three years. It does not expect the deal to affect its 2010 results. The company currently expects to earn \$2.10 to \$2.20 per share on revenue of about \$68 billion.

The companies did not say if jobs would be eliminated after the deal closes. King says it has about 2,600 employees. Pfizer had 116,500 workers at the end of 2009, but is cutting thousands of jobs in the wake of the Wyeth deal.

In early trading, King shares soared 39 percent, or \$3.99, to \$14.14. Pfizer shares rose 5 cents to \$17.43.

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