

Jazz Pharma To Pay \$1B For Rare Disease Drug Co.

The Associated Press

Jazz Pharmaceuticals PLC plans to buy drug maker Gentium SpA for roughly \$1 billion in a cash deal aimed at expanding its rare disease drug portfolio.

Shares of Jazz jumped nearly 6 percent to \$121.50 in after-hours trading following the announcement. The stock has more than doubled year to date, and hit an all-time high of \$121.15 last week. Gentium's American depositary shares rose more than 2 percent to \$56.95 after hours after closing regular trading down 2 percent at \$55.65. They have nearly quadrupled in the past year, rising from a 52-week low of \$6.96 in February to an all-time high of \$59.25 last week.

Jazz will make a tender offer of \$57 per share for the Italian company, about a 2 percent premium to Gentium's closing stock price in the U.S. on Thursday. Gentium develops drugs to treat a variety of rare diseases and conditions, including orphan vascular diseases related to cancer treatments. In October it received European approval for Defitelio, its lead product, which treats obstruction in the small veins of the liver in adults and children undergoing stem cell transplants.

Jazz, based in Ireland, makes drugs for a variety of conditions, including narcolepsy, cancer, pain and psychiatric conditions. The company said it will fund the deal with a combination of cash on hand, a \$500 million loan from its financial adviser on the deal, Barclays, as well as with its senior credit line.

The deal, which has been approved by both companies' boards, is expected to close in the first quarter and would take Gentium private. Jazz expects the acquisition will immediately add to adjusted earnings.

Source URL (retrieved on 04/26/2015 - 8:19am):

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