

Cooley, Kirkland Lead \$1.5B Jazz Pharma Deal For Celator

By **Matthew Perlman**

Law360, New York (May 31, 2016, 12:34 PM ET) -- Irish drugmaker Jazz Pharmaceuticals PLC said Tuesday that it has agreed to purchase oncology outfit Celator Pharmaceuticals Inc. for about \$1.5 billion in cash, in a deal guided by Cooley LLP and Kirkland & Ellis LLP.

Jazz will pay \$30.25 per share, which represents a 73 percent premium to Celator's closing price Friday, according to a statement announcing the deal. The company will fund the transaction using cash on hand and borrowings from its credit facility, the statement said.

Ewing, New Jersey-based Celator is a clinical stage biopharmaceutical company working on cancer treatments. Its primary drug candidate VYXEOS is being tested on patients of acute myeloid leukemia, and has received the breakthrough therapy designation from the U.S. Food and Drug Administration, as well as orphan drug designations from U.S. and European regulators. Jazz chairman and CEO Bruce Cozadd said the drug makes a good strategic fit for his company's portfolio of therapies for diseases that typically have few treatment options.

"As Celator is currently preparing a regulatory submission in the U.S. for VYXEOS, this acquisition would add a new orphan product with the potential for short- and long-term revenue generation and expansion of our international commercial platform," Cozadd said in Tuesday's statement. "VYXEOS will further diversify our product portfolio and is complementary to our clinical and commercial expertise in hematology/oncology."

The deal is being structured as a tender offer and second-step merger, the companies said. Shareholders of about 18.4 percent of Celator's outstanding stock have already agreed to tender their shares.

The transaction is expected to close in the third quarter of 2016.

Jazz is a biopharmaceutical company focused on products that address unmet medical needs. Its commercial portfolio includes treatments for narcolepsy and certain types of cancer, as well as drugs for pain and schizophrenia patients that are resistant to other treatments.

The company hopes to leverage its experience and existing sales channels as it moves towards a commercial launch for Celator's lead product candidate, according to an investor presentation about the tie-up. Celator CEO Scott Jackson agreed with this strategy in Tuesday's statement, and said the two companies fit well together.

“The planned combination of Jazz and Celator is highly complementary, as both companies are dedicated to bringing differentiated therapies to patients who have high unmet medical needs,” Jackson said in the statement. “We believe that Jazz Pharmaceuticals' clinical and commercial expertise in hematology/oncology and existing international infrastructure will help realize the value of VYXEOS as a treatment to patients with [acute myeloid leukemia].”

Jazz is being represented in the Celator deal by Cooley LLP, with a team including Barbara Borden, Todd Gluth, Amy Wood, Natasha Leskovsek, Danish Hamid, Kevin King, Bonnie Weiss McLeod, Marya Postner, Marjorie Wagman, Francis Fryscak, Gregory Tenhoff, Chad Mills, Mike Tollini, Jonathan Bagg, Ben Beerle, Megan Arthur Schilling, Jonathan Rivinus, Jon Paul Oleksiuk, Matt Silverman, Susan Walker, Timothy Hance, Edmond Lay, Karen Tsai, Stephanie Palmer, Dani Nazemian, Selin Akkan and Jonathan Bagg.

RBC Capital Markets is serving as Jazz's financial adviser.

Celator is being represented by a Kirkland & Ellis LLP team including Daniel Wolf, David Feirstein, Clement Smadja and Jennifer Basch.

MTS Health Partners is serving as financial adviser to Celator. Fried Frank Harris Shriver & Jacobson LLP is representing MTS, with a team including Warren S. de Wied, Scott B. Luftglass and Bram Couvreur.

--Editing by Rebecca Flanagan.