

Irish company to buy Cadence Pharmaceuticals of San Diego

Dublin-based Mallinckrodt agrees to pay \$14 a share for Cadence Pharmaceuticals.

By Stuart Pfeifer
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An Irish pharmaceutical company agreed to acquire Cadence Pharmaceuticals Inc. in San Diego for about \$1.3 billion in an effort to boost its specialty drugs portfolio.

Dublin-based Mallinckrodt agreed to pay \$14 a share for the company, a 26% premium over Cadence's closing price Monday of \$11.07. The boards of both companies have approved the deal.

Cadence is best known for Ofirmev, an injectable version of [acetaminophen](#), the active ingredient in [Tylenol](#). Launched in January 2011, Ofirmev has been used to treat as many as 7 million patients.

"The acquisition of Cadence Pharmaceuticals is consistent with our goal of becoming a leading global specialty pharmaceuticals company," said Mark Trudeau, chief executive of Mallinckrodt.

"Ofirmev's growth is driven by an expanding base of physicians who are prescribing the product for an increasing number of surgical patients," he said. "We have been impressed with the strong relationships that Cadence's commercial organizations have established with customers in the hospital channel."

Cadence shares surged \$2.93, or 26.5%, to \$14.

"We believe Mallinckrodt is a natural fit to provide the resources and expertise that can expand patient access for Ofirmev," said Ted Schroeder, chief executive of Cadence Pharmaceuticals. "Additionally, this transaction will provide Cadence shareholders with a strong return on their investment."

The acquisition, expected to close in March, will "significantly" boost Mallinckrodt's earnings per share, the company said in a news release.

Mallinckrodt shares rose \$6.88, or 11.6%, to \$66.19.

The company reported sales of \$2.2 billion for its 2013 fiscal year, which ended Sept. 27, up from \$2.1 billion the prior year. It has traded on the [New York Stock Exchange](#) since July when it separated from former parent company Covidien in Dublin.

stuart.pfeifer@latimes.com

