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## David Pyott: The battle for Allergan (B)

After the news of the ruling the fight team reviewed their options. They quickly concluded that there was a reasonable chance that Allergan might lose the vote. Not being sure who would win, and despite all of Allergan's actions, it was clear that the company needed to find a white knight to buy them, at a price that Valeant/Pershing would not or could not trump.

Earlier in August, a possible white knight had appeared in the shape of Actavis, a New Jersey-headquartered, Dublin-registered, diversified pharmaceutical company. Actavis was run by CEO Brent Saunders, who had previously run Bausch & Lomb before selling it to Valeant. Although nothing materialised in August, by the end of October talks began in earnest. A confidentiality agreement was signed on 5 November, the day after the court ruled that Ackman could vote his stake. **Exhibit 1** gives a brief timeline.

The sale of Allergan to Actavis was announced on 17 November and agreed at US\$66 billion, in a cash-and-stock purchase with Actavis paying US\$219 a share; more than US\$100 a share more than when the takeover battle started and US\$40 a share more than Valeant's highest bid. The combination of Allergan and Actavis created one of the 10 largest global drug-makers. Pyott issued a statement which said:

*Today's transaction provides Allergan stockholders with substantial and immediate value, as well as the opportunity to participate in the significant upside potential of the combined company. We are combining with a partner that is ideally suited to realise the full potential inherent in our franchise. Together with Actavis, we are poised to extend the Allergan growth story as part of a larger organisation with a broad and balanced portfolio, a meaningful commitment to research and development, a strong pipeline and an unwavering focus on exceeding the expectations of patients and the medical specialists who treat them.*

It was a bittersweet ending for Pyott. He had largely won the battle for control of Allergan's future and secured what he believed would be a good outcome for the employees of a company who had put their trust in him as a leader; yet Allergan was no longer an

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