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Valeant Bid Unlikely To Affect Chemgenex

[VALEANT, CEPHALON, CHEMGENEX](#)

Just to add a bit of spice to what seemed to be a forgone conclusion to yesterday's Chemgenex takeover announcement, Canada's Valeant Pharmaceuticals has launched a takeover bid for Chemgenex's suitor, Cephalon Inc.

Unfortunately, this is unlikely to affect positively Cephalon's bid for Chemgenex - or negatively, for that matter.

Valeant's core strengths are in neurology and dermatology, while Cephalon's strength is in oncology. It seems most likely that Valeant is interested in Cephalon primarily for its oncology franchise, although there are other small areas of overlap.

As an oncology company, Chemgenex fits nicely with Cephalon, while Cephalon probably represents a bolt-on acquisition for Valeant to give it an oncology presence.

It is possible that a rival bid for Chemgenex could come from a party that believes they can take advantage of the distraction that Valeant's bid will cause Cephalon.

At the end of the day, though, such a bid would be an opportunistic one and unlikely to trump Cephalon's by much.

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* Marc Sinatra has previously consulted indirectly for Mesoblast and has chosen not to comment on any impact on that company.

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