

Genzyme Rejects \$18.5B Sanofi Bid

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NEW YORK (AP) -- Biotechnology company Genzyme Corp. said Monday it rejected Sanofi-Aventis SA's \$18.5 billion buyout offer because it undervalues the company.

On Sunday, French drug developer Sanofi-Aventis offered \$69 per share for Genzyme, which has been struggling in the aftermath of manufacturing problems for key drugs.

In a letter to Sanofi-Aventis, Genzyme Chairman and CEO Henri A. Termeer said the board unanimously rejected the offer. He said the board is "not prepared to engage" in negotiations with an "unrealistic" starting price.

On Sunday, Sanofi-Aventis, based in Paris, made the buyout offer following months of rumors. The offer marked a 38 percent premium over Genzyme's closing price of \$49.86 on July 1, just before speculation over a deal.

The deal comes as Genzyme tries to bounce back from manufacturing issues with key drugs Cerezyme and Fabrazyme for genetic conditions.

Genzyme, based in Cambridge, Mass., said it responded to Sanofi-Aventis' previous offer on Aug. 11, saying the offer represented a "opportunistic takeover proposal" that doesn't recognize the progress the company has made.

Shares of Genzyme rose \$2.58, or 3.8 percent, to \$70.20 in premarket trading Monday. The stock closed at \$67.62 on Friday.

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