

SANOFI GOES HOSTILE WITH GENZYME OFFER

Ratcheting up the pressure on Genzyme management to agree to an \$18.5 billion acquisition offer, French pharmaceutical giant Sanofi-Aventis says it now intends to file documents with the Securities & Exchange Commission initiating a tender offer for all outstanding shares of the biotechnology company. Sanofi originally made public unsuccessful efforts to discuss its bid with Genzyme management at the end of August and said it would take its offer directly to Genzyme shareholders (C&EN, Sept. 6, page 13). Its actions last week follow through on the threat. Genzyme urged shareholders to “take no action” on Sanofi’s renewed offer until it had a chance to review it. In late August, Genzyme called the earlier offer “opportunistic” and urged shareholders to reject it.—MSR

BASF MAKES MOFS ON INDUSTRIAL SCALE

BASF claims to have achieved the first industrial-scale synthesis of metal-organic



Crystals made of metal-organic framework compounds.

frameworks. Known as MOFs, the compounds are highly crystalline structures with nanometer-sized pores

that can store hydrogen and other gases (C&EN, Aug. 25, 2008, page 13). MOFs produced by the solvent-free production method are being tested for storing natural gas in heavy-duty vehicles with extended driving range, the company says.—MM

CANADIAN BOARD WEIGHS IN ON POTASHCORP BID

The nonprofit Conference Board of Canada has submitted a report to the government of Saskatchewan concerning BHP Billiton’s

AZ PLANS STOCK OFFER

AZ Electronic Materials plans to raise \$400 million through an initial public offering (IPO) of stock on the London Stock Exchange. The specialty chemical maker started out as part of the German chemical company Hoechst, where in 1957 it developed the first positive photoresist for integrated-circuit manufacturing. In 1997, Hoechst sold AZ to Clariant. In 2004, Clariant sold the company to the Carlyle Group, a private equity firm, for \$415 million. AZ, which had sales in its last fiscal year of \$611 million, says proceeds from the IPO will strengthen its ability to attract the best talent, help repay debt, and allow shareholders to realize part of their investment. AZ started pursuing an IPO in earnest in February when electronics industry veteran Geoff Wild was brought in as CEO, according to Mark Thirsk, managing partner of Linx Consulting, which follows the electronic materials industry. He expects a 20% stake in the company to be sold, creating an overall market value of \$2 billion. Thirsk credits AZ’s private equity owners with shifting the firm’s focus from photoresists toward ancillary materials such as etch layers, topcoats, and antireflective coatings. “They got off the treadmill of developing leading-edge photoresists and developed a broader portfolio that has performed well,” he says.—MM

proposed hostile takeover of PotashCorp. The board says that the acquisition would result in about \$200 million in decreased revenues to the province annually because of taxes that BHP would be able to avoid. However, the group says the acquisition would have a positive impact for expansion of potash mines in the province. The report adds that if PotashCorp were taken over by China’s Sinochem, as has been speculated in press reports, the revenue effects on the province would be more severe. This is largely because Sinochem would have the incentive to run the potash mines at full capacity for export to China and to depress potash prices. PotashCorp disagrees with the report, saying that the revenue loss to the province from an acquisition is “understated” in the report.—AHT

AVANTIUM, TEIJIN COLLABORATE

Avantium and Japan’s Teijin have entered into a multiyear agreement to collaborate on aramid polymers made from biobased feedstocks. Teijin makes polyaramid polymers used in its high-performance fibers. With its high-throughput-screening technology, Avantium has developed a biobased route to convert sugar into the polymer-building-block furan dicarboxylic acid. The company has also been exploring polymer applications with Cargill’s NatureWorks unit (C&EN, Sept. 20, Page 15).—AHT

MITSUBISHI SETS UP LCD MATERIAL PLANT

Mitsubishi Plastics will spend almost \$300 million to build a plant in Suzhou, China, to produce polyethylene terephthalate films for use in making liquid-crystal displays. With an annual capacity of 45,000 metric tons, the facility is scheduled to come on-line in 2013. Mitsubishi notes that numerous liquid-crystal-display panel makers are in the process of building plants in China. The company already produces the film in Japan.—JFT

UBE EXPANDS THAI NYLON

To meet growing demand in Asia, Ube Industries is taking steps to expand nylon output at Map Ta Phut, Thailand. The firm just started production at a 50,000-metric-ton-per-year nylon 6 facility which, like many projects at Map Ta Phut, had been under a court-ordered construction freeze for several months (C&EN, Sept. 13, page 6). Ube also plans to invest about \$36 million to boost annual production of nylon raw material caprolactam by 20,000 tons to 130,000 tons. In addition, the company plans to nearly double annual production of nylon compounds to 11,000 tons. The latter two projects will be completed by 2012.—JFT

CEFIC, ICCA ELECT NEW LEADERS

Two chemical trade groups have selected new presidents. Now leading the European Chemical Industry Council (CEFIC) is



Squinzi

Liveris

Giorgio Squinzi, a chemist. Since 1976, he has been the CEO of Milan-based construction chemicals maker Mapei Group. Dow Chemical CEO Andrew N. Liveris will take the reins at the International Council of Chemical Associations (ICCA) beginning in 2011, at which time Calvin Dooley, CEO of the American Chemistry Council, will become ICCA secretary.—MV

ARKEMA BUYS SPECIALTY POLYMERS FIRM

Arkema has acquired Piezotech, a French firm that designs and manufactures electroactive fluorinated polymers. Piezotech

was established in 1993 based on technology from the Franco-German Research Institute for Science & Defense. Its polymers undergo deformation when subjected to an electric current, allowing them to store energy. Arkema says it will use its industrial expertise to produce larger volumes of the polymers at a lower cost, opening applications in transportation, robotics, and intelligent textiles.—MM

GALAPAGOS' ARGENTA WINS JANSSEN CONTRACT

Argenta Discovery, a division of the Belgian drug company Galapagos, has entered a drug discovery service agreement with Johnson & Johnson's Janssen Pharmaceutica unit. Argenta will provide medicinal chemistry and biology assistance for Janssen oncology targets under a five-year agreement that could be worth more than \$45 million. "We are seeing an increased demand for longer-term, integrated deals in our services business," says Galapagos CEO Onno van de Stolpe.—MM

NOVARTIS SHEDS TWO COMPOUNDS

Novartis is taking a \$590 million charge in the third quarter after discontinuing development of two drug candidates because

of safety issues. The decision to jettison Zalbin, a genetic fusion of human albumin and α -interferon for the treatment of hepatitis C, came after FDA sent Novartis and its partner, Human Genome Sciences, a complete response letter indicating their biologics license application for the drug could not be approved. The companies had already withdrawn their European application for approval. Novartis also ended development of Mycograb, a recombinant antibody against Hsp90 in development to treat invasive *Candida* infections. European regulatory authorities have twice refused to approve the drug.—LJ

GSK SPINS OUT ANALGESIC COMPOUNDS

Convergence Pharmaceuticals, a biotech firm formed out of assets from Glaxo-SmithKline's analgesic drug pipeline, has launched with \$35.4 million in financing. The Cambridge, England-based biotech starts off with a collection of six early-stage compounds and two drugs in clinical studies—CNV1014802 and CNV2197944, voltage-gated calcium channel blockers for neuropathic pain. Simon Tate, former vice president for GSK's pain and epilepsy discovery unit, will serve as Convergence's chief scientific officer. For GSK, the divestiture of the compounds is part of a larger effort to trim R&D. GSK retains an 18% stake in the firm.—LJ

BUSINESS ROUNDUP

BASF is following through on plans made two years ago (C&EN, Aug. 25, 2008, page 8) to carve out its styrenics operations into a new business to be known as Styrolution. Effective on Jan. 1, 2011, the new unit will have production sites in Germany, Belgium, South Korea, India, and Mexico; 1,460 employees; and \$3.5 billion in sales. BASF unsuccessfully sought to sell the business in 2007.

BASF VENTURE Capital is the lead sponsor in a \$22 million investment in Aspen Aerogels, a North-

borough, Mass.-based maker of silica foams used to insulate buildings. BASF says it will help Aspen penetrate the European construction market.

MALLINCKRODT Baker, recently acquired by private equity firm New Mountain Capital, has changed its name to Avantor Performance Materials. The lab chemicals firm says that "avant"—as in avant-garde—evokes bold ideas and "tor" means mountains and represents the firm's aspiration to achieve new heights.

LG CHEM will buy Dow Chemical's stake in their

11-year-old equally owned joint venture producing polycarbonate in South Korea. Terms were not disclosed. Dow sold off its polycarbonate business with the sale of Styron to Bain Capital earlier this year.

JOHNSON MATTHEY has signed an agreement to acquire fluid catalytic cracking additives maker Intercat for \$56 million. Intercat had sales last year of \$58 million from additives that enable petroleum refiners to optimize yield and minimize emissions. The acquisition complements Johnson's existing catalyst business.

PFIZER says it is reviewing strategic alternatives, including divestiture, for its Capsugel business, which had revenues of \$740 million in 2009. The unit develops hard capsules and is an innovator in drug delivery systems, Pfizer says.

RECIPHARM has acquired Abbott Laboratories' site in Parets, Spain, for an undisclosed sum. Formerly owned by Solvay Pharmaceuticals, the plant produces pills, ointments, liquids, and other finished drugs. Recipharm, a Swedish contract manufacturer, says it will continue to make all Abbott products.

NOVO NORDISK is sinking \$73 million into an expansion of its Clayton, N.C., manufacturing site, which produces six diabetes treatments. The investment, enabled by grants from the state of North Carolina, will create 85 new jobs at the facility.

SIEGFRIED GROUP has sold its PulmoJet dry powder inhaler to Sanofi-Aventis for an undisclosed sum and future royalties. The sale includes two asthma projects now under development. Sanofi will take on 50 Siegfried employees working to develop and produce PulmoJet in Munich and Höchstädt, Germany.