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Bausch & Lomb to Buy ISTA Pharmaceuticals for \$500 Million

By **Peter Lattman** March 26, 2012 6:33 pm

Bausch & Lomb, the eye care company, agreed on Monday to acquire the eye drug maker ISTA Pharmaceuticals for about \$500 million.

Under the terms of the deal, Bausch & Lomb, which is owned by the private equity firm Warburg Pincus, will pay \$9.10 a share for ISTA, 10 percent above its closing price on Monday.

ISTA, which is based in Irvine, Calif., manufactures several eye drugs including Bromday, a medicine that treats inflammation after cataract surgery, and Bepreve, a drug that treats itching associated with conjunctivitis. The company generated about \$160 million in revenue in 2011.

The deal appears to make sense for Bausch & Lomb, because the Rochester-based company already manufactures nearly all of ISTA's current United States products.

"ISTA is an excellent strategic fit with Bausch & Lomb's rapidly growing pharmaceutical business, and this combination represents an important step in Bausch & Lomb's commitment to becoming the best global eye health company," said Brent Saunders, the chief executive of Bausch & Lomb, in a statement.

Bausch & Lomb's deal tops a hostile bid for ISTA by Valeant Pharmaceuticals late last year. Valeant, a Canadian drug maker, pulled its \$360 takeover bid for ISTA in February after it failed to reach a deal with the company.

Goldman Sachs and the law firm Cleary Gottlieb Steen & Hamilton advise Bausch & Lomb on the transaction. ISTA was represented by the investment bank Greenhill & Company and the law firms Stradling Yocca Carlson & Rauth and WilmerHale.

Warburg Pincus acquired Bausch & Lomb in a \$3.67 billion takeover in September 2007.

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