

JAZZ PHARMACEUTICALS INC
Form 425
September 20, 2011

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Under the Securities Exchange Act of 1934

Subject Company: Jazz Pharmaceuticals, Inc.

Commission File Number: 001-33500

Date: September 19, 2011

The following is a slide presentation relating to the proposed transactions described therein that was made available beginning on September 19, 2011.

Jazz Pharmaceuticals and Azur Pharma
A Compelling Strategic Combination
Bruce Cozadd, Chairman and CEO

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Forward-Looking Statements

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995

This presentation contains forward-looking statements, including, but not limited to, statements related to the anticipated consummation of the business combination transaction between Jazz Pharmaceuticals and Azur Pharma and the timing and benefits thereof, the combined company's, and each respective company's, strategy, plans, objectives, expectations (financial otherwise) and intentions, future financial results and growth potential, anticipated product portfolio, development programs,

intellectual property and tax position, management structure, and other statements that are not historical facts. These forward-looking statements are based on Jazz Pharmaceuticals' current expectations and inherently involve significant risks and uncertainties. Actual results and the timing of events could differ materially from those anticipated in such forward looking statements as a result of these risks and uncertainties, which include, without limitation, risks related to Jazz Pharmaceuticals ability to complete the transaction on the proposed terms and schedule; risks associated with business combination transactions such as the risk that the businesses will not be integrated successfully or that such integration may be more difficult, time-consuming or costly than expected; risks related to future opportunities and plans for the combined company, including uncertainty of the expected financial performance and results of the combined company following completion of the proposed transaction; disruption from the proposed transaction, making it more difficult to conduct business as usual or maintain relationships with customers, employees or suppliers; the calculations of, and factors that may impact the calculations of, the acquisition price in connection with the proposed merger and the allocation of such acquisition price to the net assets acquired in accordance with applicable accounting rules and methodologies; and the possibility that if the combined company does not achieve the perceived benefits of the proposed transaction as rapidly or to the extent anticipated by financial analysts or investors, the market price of the combined company's shares could decline, as well as other risks related to Jazz Pharmaceuticals' business, including Jazz Pharmaceuticals' dependence on single source suppliers and manufacturers; the ability of Jazz Pharmaceuticals to protect its intellectual property and defend its patents; regulatory obligations and oversight; Jazz Pharmaceuticals' cash flow; and those risks detailed from time-to-time under the caption "Risk Factors" and elsewhere in Jazz Pharmaceuticals' SEC filings and reports, including in its Quarterly Report on Form 10-Q for the quarter ended June 30, 2011. Jazz Pharmaceuticals undertakes no duty or obligation to update any forward-looking statements contained in this presentation as a result of new information, future events or changes in its expectations.

Pharmaceuticals

dependence

on

sales

of

Xyrem

and

its

ability

to

increase

sales

of

its

Xyrem

and

Luvox

CR

products;

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Forward-Looking Statements

Additional Information and Where to Find It

In connection with the proposed transaction, Jazz Pharmaceuticals and Azur Pharma will be filing documents with the SEC, including the filing by Jazz Pharmaceuticals of a preliminary and definitive proxy statement/prospectus relating to the proposed transaction and the filing by Azur Pharma of a registration statement on Form S-4 that will include the proxy statement/prospectus relating to the proposed transaction. After the registration statement has been declared effective by the SEC, a definitive proxy

statement/prospectus will be mailed to Jazz Pharmaceuticals stockholders in connection with the proposed transaction. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT ON FORM S-4 AND THE RELEVANT PRELIMINARY AND DEFINITIVE PROXY/PROSPECTUS WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT JAZZ PHARMACEUTICALS, AZUR PHARMA AND THE PROPOSED TRANSACTION. Investors and security holders may obtain free copies of these documents (when they are available) and other related documents filed with the SEC at the SEC's web site at www.sec.gov, by directing a request to Jazz Pharmaceuticals' Investor Relations department at Jazz Pharmaceuticals, Inc., Attention: Investor Relations, 3180 Porter Drive, Palo Alto, California 94304, or to Jazz Pharmaceuticals' Investor Relations department at 650-496-2800 or by email to investorinfo@jazzpharma.com. Investors and security holders may obtain free copies of the documents filed with the SEC on Jazz Pharmaceuticals' website at www.jazzpharmaceuticals.com under the heading "Investors" and then under the heading "SEC Filings." Jazz Pharmaceuticals, its directors and executive officers and Azur Pharma and its directors and executive officers may be deemed participants in the solicitation of proxies from the stockholders of Jazz Pharmaceuticals in connection with the proposed transaction. Information regarding the special interests of these directors and executive officers in the proposed transaction will be included in the proxy statement/prospectus described above. Additional information regarding the directors and executive officers of Jazz Pharmaceuticals is also included in Jazz Pharmaceuticals' proxy statement for its 2011 Annual Meeting of Stockholders, which was filed with the SEC on April 12, 2011. These documents are available free of charge at the SEC's web site at www.sec.gov and from Investor Relations at Jazz Pharmaceuticals as described above.

This communication does not constitute an offer to sell, or the solicitation of an offer to sell, or the solicitation of an offer to subscribe for or buy, any securities nor shall there be any sale, issuance or transfer of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. For full prescribing information refer to product websites.

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Jazz Pharmaceuticals
mission is to improve
patients
lives by identifying, developing and
commercializing valuable pharmaceutical
products in focused therapeutic areas
Building Shareholder Value by Focusing on Patients

5
Strategy to Build Shareholder Value
Grow Xyrem sales in
current indications
Increased focus on
achieving full potential
1

Maintain entrepreneurial, ownership culture at the company

4

Make disciplined resource allocation decisions

Acquire additional
marketed or close to
approval products

Leverage our expertise
and infrastructure

2

Pursue lower risk
development of
specialty products

Invest percentage
of sales longer-term

3

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Strategic Benefits

Diversified portfolio of CNS and
women's health products

Increased scale and platform

for growth

Resources to invest in future
pipeline and strong franchise
management opportunities

Stronger, enhanced
management team
Projected Financial Benefits

Accretive transaction
1

Revenues >\$475M
and cash flow >\$200M in
first 12 months

~\$250M cash at closing
2

Strong balance sheet
with no debt
1

Accretion for Jazz Pharmaceuticals shareholders is on a fully-taxed adjusted EPS basis. Adjusted EPS is a non-GAAP financial

2

Pro forma estimate as of Jan 1, 2012.

Compelling Strategic and Financial Benefits

Jazz

Pharmaceuticals plc

Ireland

7
Jazz Pharmaceuticals plc

12 products
currently marketed in US

>\$475

million
in
revenues
in
first
12
months

>\$200
million
in
cash
generated
in
first
12
months

Jazz Pharmaceuticals: slightly under 80%; Azur Pharma: slightly over 20%

Combined capitalization approximately 60M shares fully diluted at closing

Jazz
Pharmaceuticals
board
represented
funds
entered
into
voting
agreements (~43% of shares)

99% of Azur shareholders entered into agreement to take necessary actions

Current directors of Jazz Pharmaceuticals

Seamus Mulligan (Chairman and CEO, Azur Pharma)
Portfolio & Financial
Projections
Ownership in
Combined Company
Shareholder Votes
Board of Directors

Bruce Cozadd, Chairman and CEO

Kate Falberg, CFO

Seamus Mulligan, Chief Business Officer, International Business Development

Azur executives join JPI executives in leadership roles
Management
Anticipated Closing: 1Q12

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2011 Estimated Revenues
Stand Alone Jazz Pharmaceuticals, Inc.
Pro forma Jazz Pharmaceuticals plc
A Growing, Diversified Product Portfolio
Luvox CR
13%

Xyrem 87%

Xyrem 63%

Luvox CR

9%

Prialt 6%

Women s

Health 10%

Other CNS

1%

FazaClo LD

8%

FazaClo HD

3%

Azur Pharma Overview
Seamus
Mulligan,
Chairman
and
CEO
Eunan

Maguire,
President,
North
America

Azur Pharma

Leveraging extensive industry network and business development expertise

Assembling and commercializing a diversified product portfolio in specialty therapeutic areas

Investing in lower-risk development projects through life cycle management initiatives

Establishing a highly efficient corporate structure which maximizes cash flow available to fund growth

Azur Pharma is a specialty focused pharmaceutical company formed in 2005 that has created a successful business by:

Azur Pharma

Compelling Fit With Jazz Pharmaceuticals

\$0

\$10

\$20

\$30

\$40

\$50

\$60

\$70

\$80

\$90

\$100

2006

2007

2008

2009

2010

Strong commercial focus and expertise
in CNS and women's health

Approximately 170 employees:

105 people in 3 US sales forces
across pain, psychiatry and
women's health

16 person medical affairs team

50 people in home office

(18 Dublin; 32 Philadelphia)

Lower risk pipeline of line extensions for
clozapine franchise and LCM programs
for key women's health brands

11

CNS

Women's Health

Net

Sales

(Millions)

Prialt -
for Chronic Pain

2010 net sales of \$20M (marketed by Azur since May 2010)

Only non-opioid intrathecal (IT) analgesic for severe chronic pain

Compelling growth opportunity with business characteristics similar to Xyrem:

Requires high touch sales capability with heavy clinical emphasis

Currently used in less than 3% of available pain market pumps

Limited competitive threats and multiple years of patent and other protection

European rights licensed to Eisai; Azur retains ROW rights

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1. See full prescribing information on website

1

FazaClo
for Treatment Resistant Schizophrenia

2010 net sales of \$37M

Orally disintegrating clozapine tablets approved for management of treatment resistant schizophrenia

10% prescription share despite largely generic clozapine market

FazaClo High Dose (HD) launched September 2010

More than 20% switched from Low Dose (LD) as of 2Q11

Dosing flexibility and lower pill burden

Generics

filed

to

FazaClo

settlement

with

Teva

with

potential

launch

of

lower

dosage

product in 2Q12 and higher dosage in 2015

Additional clozapine line extensions in development

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1. See full prescribing information on website

1

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Diversified and balanced set of six products

1

with 2010 net sales of \$27M

Significant growth opportunity driven by Elestrin

1
, a topical gel ERT therapy
-
Patents through 2022

Revamped Elestrin promotion model in 2010 leveraging 51 sales representatives

Women's Health Products -

Targeting a Growing Market

Elestrin

Other Women's Health

Net Sales Contribution

1. See full prescribing information on website

0%

20%

40%

60%

80%

100%

2009

2010

2011E

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Azur Pharma Pipeline Opportunities

NAME

INDICATION

DESCRIPTION

STATUS

Clozapine

Treatment resistant schizophrenia

& reducing recurrent suicidal

behavior risk

Multiple life cycle programs

Multiple

Prenatal

vitamins

Prenatal supplements

Multiple development programs

Products to launch

in 2011 onwards

Lower risk pipeline opportunities target clozapine and women's health products

Benefits of future product candidates are additive

Financial Overview
Kate
Falberg
CFO
,

17
Azur Pharma Financial Overview
\$0

\$20

\$40

\$60

\$80

\$100

\$120

Net Sales

Operating

Expenses

EBITDA

2010 Financials

1

(\$M)

2011 Estimates

1

(\$M)

1. Financial results prepared in accordance with the International Financial Reporting Standards, IFRS

2. EBITDA is a non-GAAP financial measure that excludes certain items. A reconciliation of EBITDA to Operating Income is

3. Operating Expenses include R&D and SG&A

\$83M

\$24M

2

\$0

\$20

\$40

\$60

\$80

\$100

\$120

Net Sales

Operating

Expenses

EBITDA

2

\$37M

Product Gross Margin: 80-85%

3

3

Sourcing of new products for all markets

Potential expansion into Europe
Benefits of New Corporate Structure
Access
to

international
capital
markets
and
business
development
opportunities

Sales, marketing, and clinical/medical science liaison organizations

Multi-product supply chain management

BD executives with demonstrated success
Enhanced management capabilities

Enhanced ability to attract and retain key talent
Additional locations (Philadelphia, Dublin)
Parent company in Ireland expected to license, develop and acquire
existing and new products

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Accretive Transaction and NOLs Preserved

Transaction expected to be accretive to Jazz Pharmaceuticals, Inc. 2012 Adjusted EPS
on a fully taxed basis

No operating cost synergies assumed

Reversal
of
valuation
allowance
on
deferred
tax
assets

Would result in significant non-cash GAAP tax benefit, excluded from Adjusted EPS

Tax provision would apply subsequently

Stand alone, JPI would record taxes at ~40%

Jazz Pharmaceuticals plc pro forma expected tax rate percentage in mid-20s

2012 a transition year for taxes

1.
Adjusted EPS is a non-GAAP financial measure that excludes certain items from GAAP EPS.

2.
A valuation allowance currently reduces the deferred tax assets to the amount that is more likely than not to be realized. While to be satisfied in 3Q11, Jazz Pharmaceuticals will continue to evaluate based on projected taxable income and other key operational Financial Assumptions

2

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Next Steps

File preliminary proxy
statement and S-4

Expected to
close 1Q12

Transaction is

subject to customary
closing conditions
and regulatory
approvals, including:

SEC effectiveness of S-4

Jazz Pharmaceuticals, Inc.
stockholder approval

Azur approval of other
necessary actions

Antitrust clearance

Transaction will be taxable to
Jazz Pharmaceuticals, Inc.
stockholders

Jazz Pharmaceuticals plc
shares to be traded on Nasdaq

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Strategic Benefits

Diversified portfolio of CNS and
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Increased scale and platform

for growth

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pipeline and strong franchise
management opportunities

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management team
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Pro forma estimate as of Jan 1, 2012.

Compelling Strategic and Financial Benefits

Jazz

Pharmaceuticals plc

Ireland

2

1

23
Azur
Pharma
1
Reconciliation of EBITDA to Operating Income
(In millions)
EBITDA

Subtract:

Depreciation & Amortization

Stock-based compensation expense

Operating Income

\$23.8

16.5

0.3

\$7.0

FY 2009

1. Financial statements have been prepared in accordance with the International Financial Reporting Standards, IFRS 2010