

AMBIT BIOSCIENCES CORP
Form SC TO-C
September 29, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE TO
TENDER OFFER STATEMENT
under Section 14(d)(1) or Section 13(e)(1)
of the Securities Exchange Act of 1934

AMBIT BIOSCIENCES CORPORATION
(Name of Subject Company)

CHARGE ACQUISITION CORP.
a wholly-owned subsidiary of
DAIICHI SANKYO COMPANY, LIMITED
(Names of Filing Persons Offeror)
Common Stock, Par Value \$0.001 per share
(Title of Class of Securities)

02318X100

(CUSIP Number of Class of Securities)

Seth Flaum

Daiichi Sankyo, Inc.

2 Hilton Ct.

Parsippany, NJ 07054-4410

Telephone: (973) 944-2600

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications on Behalf of Filing Persons)

with copy to:

Patrick Naughton

Simpson Thacher & Bartlett LLP

425 Lexington Avenue

New York, New York 10017-3954

Telephone: (212) 455-2000

CALCULATION OF FILING FEE

Transaction Valuation*

Not Applicable

Amount of Filing Fee*

Not Applicable

* A filing fee is not required in connection with this filing as it relates solely to preliminary communications made before the commencement of a tender offer.

** Check box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or

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Schedule and the date of its filing.

Amount Previously Paid: Not applicable.
Form or Registration No.: Not applicable.

Filing Party: Not applicable.
Date Filed: Not applicable.

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- third-party tender offer subject to Rule 14d-1.
- issuer tender offer subject to Rule 13e-4.
- going-private transaction subject to Rule 13e-3.
- amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer.

On September 28, 2014, Ambit Biosciences Corporation (Ambit) and Daiichi Sankyo Company, Limited (Daiichi Sankyo) issued a joint press release announcing the execution of an Agreement and Plan of Merger (the Merger Agreement). Pursuant to the Merger Agreement, Charge Acquisition Corp., a wholly-owned subsidiary of Daiichi Sankyo (Purchaser), will commence a tender offer (the Offer) to purchase all of the issued and outstanding shares of Ambit common stock for (a) \$15.00 per share in cash, plus (b) one non-transferrable contingent value right for each share of Ambit common stock, which represents the contractual right to receive up to \$4.50 per share upon the achievement of certain commercialization-related milestones. If successful, the Offer will be followed by a merger of Purchaser with and into Ambit (the Merger).

This Schedule TO filing consists of the following documents relating to the proposed Offer and Merger:

- (i) Joint Press Release of Ambit and Daiichi Sankyo, dated September 28, 2014.
- (ii) Electronic mail first sent to employees of Daiichi Sankyo on September 28, 2014.

PRESS RELEASE

Daiichi Sankyo to Acquire Ambit Biosciences

Lead Compound, Quizartinib, Will Further Build Daiichi Sankyo Oncology Pipeline

TOKYO, Japan and San Diego, CA (September 28, 2014) - Daiichi Sankyo Company, Ltd. (hereinafter Daiichi Sankyo) (TSE: 4568) and Ambit Biosciences (NASDAQ: AMBI), jointly announced today that they have entered into a definitive merger agreement under which Daiichi Sankyo will acquire all of the outstanding common stock of Ambit Biosciences for \$15 per share in cash through a tender offer followed by a merger with a subsidiary of Daiichi Sankyo, or approximately \$315 million on a fully diluted basis. In addition to the upfront cash payment, each Ambit Biosciences stockholder will receive one Contingent Value Right (CVR), entitling the holder to receive an additional cash payment of up to \$4.50 for each share they own if certain commercialization related milestones are achieved. The total transaction is valued at up to \$410 million on a fully diluted basis.

Ambit Biosciences, a publicly traded, biopharmaceutical company, is focused on the discovery and development of medicines to treat unmet medical needs in oncology, autoimmune and inflammatory diseases by inhibiting enzymes that are important drivers for those diseases. The lead Ambit Biosciences drug candidate, quizartinib, is currently in phase 3 clinical trials among patients with acute myeloid leukemia (AML), who express a genetic mutation in FLT3 and who are refractory to or relapsed after first-line treatment with or without hematopoietic stem cell transplantation (HSCT) consolidation. AML patients with the FLT3 mutation tend to have a poorer prognosis than those whose cancers are FLT3 negative.

Daiichi Sankyo is the ideal organization to take quizartinib to the next stage of development, and ultimately, to achieve our goal of making it available as quickly as possible to help as many AML patients as possible, said Michael A. Martino, President and CEO, Ambit Biosciences. This attractive offer to shareholders, is a testament to the hard work and dedication of the Ambit team to our mission of developing innovative therapies for areas of high unmet medical need.

The acquisition of Ambit Biosciences further builds our presence in oncology to ensure we are delivering on our goal of providing world-class, innovative pharmaceuticals in core areas of unmet medical need, said Daiichi Sankyo Co., Ltd. President and CEO, Joji Nakayama. Long-term success in oncology depends upon three pillars: fostering development of our in-house molecules, exploring mutually beneficial partnerships and executing strategic purchases, such as Ambit Biosciences, which follows our acquisitions of U3 Pharma and Plexxikon.

Quizartinib will fit seamlessly into our already robust oncology pipeline focused on targeted therapies with the potential for personalizing the treatment of cancer, said Mahmoud Ghazzi, MD, PhD, Global Head of Development for Daiichi Sankyo. With the acquisition of Ambit Biosciences, Daiichi Sankyo gains additional opportunities to develop promising treatments for cancer, including the global rights to quizartinib, currently being studied in patients with refractory AML, a very serious condition for which no new therapies have been approved for more than 30 years.

Ambit Biosciences board of directors has unanimously approved the acquisition.

Closing of the tender offer and merger is subject to certain conditions, including the tender of more than 50 percent of all shares of Ambit Biosciences. Completion of the transaction is also subject to clearance under the Hart-Scott-Rodino (HSR) Antitrust Improvements Act and customary closing conditions. The acquisition is expected to conclude promptly after receipt of HSR clearance and the close of the tender period.

Centerview Partners acted as lead financial advisor to Ambit Biosciences. Leerink Partners LLC also acted as financial advisor to Ambit Biosciences. Cooley LLP acted as legal advisor to Ambit Biosciences. Simpson Thacher & Bartlett LLP acted as legal advisor to Daiichi Sankyo.

About Daiichi Sankyo

Daiichi Sankyo Group is dedicated to the creation and supply of innovative pharmaceutical products to address the diversified, unmet medical needs of patients in both mature and emerging markets. While maintaining its portfolio of marketed pharmaceuticals for hypertension, dyslipidemia and bacterial infections used by patients around the world, the Group has also launched treatments for thrombotic disorders and is building new product franchises. Furthermore, Daiichi Sankyo research and development is focused on bringing forth novel therapies in oncology and cardiovascular-metabolic diseases, including biologics. The Daiichi Sankyo Group has created a Hybrid Business Model, to respond to market and customer diversity and optimize growth opportunities across the value chain. For more information, please visit: www.daiichisankyo.com.

The Daiichi Sankyo oncology portfolio continues to grow and currently includes both small molecules and monoclonal antibodies with novel targets in both solid and hematologic cancers.

About Ambit Biosciences

Ambit is a biopharmaceutical company focused on the discovery, development and commercialization of drugs to treat unmet medical needs in oncology, autoimmune and inflammatory diseases by inhibiting kinases that are important drivers for those diseases. Ambit's lead drug candidate, quizartinib (AC220), is a once-daily, orally-administered potent and selective, inhibitor of FMS-like tyrosine kinase-3 (FLT3) and is currently in a registrational phase 3 clinical trial, referred to as QUANTUM-R, in patients with relapsed/refractory FLT3-ITD positive, acute myeloid leukemia (AML). Quizartinib is also being studied in newly diagnosed patients in combination with chemotherapy as well as maintenance following a hematopoietic stem cell transplantation (HSCT). In addition to quizartinib, Ambit's clinical pipeline includes AC410, an oral JAK2 inhibitor, and CEP-32496, a BRAF inhibitor licensed to Teva Pharmaceutical Industries Ltd. Ambit's preclinical portfolio includes a proprietary CSF1R inhibitor program.

About AML

AML is the most common type of acute leukemia in adults and is projected to account for approximately 36 percent of all new leukemia cases in 2014. AML results in uncontrolled growth and accumulation of malignant white blood cells which fail to function normally and interfere with the production of normal blood cells.

According to the American Cancer Society, approximately 18,860 patients will be newly diagnosed with AML in 2014 in the United States and approximately 10,460 are expected to die of the disease in 2014. AML is generally a disease of older people and the median age of a patient at initial diagnosis is 66 years. The five-year survival rate for all AML patients, irrespective of age and FLT3-ITD status, is 23 percent.

The standard of care for AML has not changed appreciably for decades. Treatment decisions for AML are typically based on the patient's age (60 years of age being generally referred to as elderly and used as a treatment indicator), overall health, cytogenetics and molecular abnormalities such as FLT3-ITD status. These factors determine the aggressiveness of the treatment approach given the high toxicity associated with currently approved treatment options for AML. Importantly, the National Comprehensive Cancer Network recommends participation in clinical trials as a treatment option for all AML patients.

The goal of treatment in AML is to reduce the blasts in the bone marrow to below 5 percent and return the blood cell counts to normal levels. A bone marrow transplant is generally recognized as the only curative treatment option. Typically, patients who are able to achieve a reduction in bone marrow blasts below 5% are more suitable candidates for transplant and have an improved projected outcome.

Important Additional Information

This press release is for informational purposes only and is not an offer to buy or the solicitation of an offer to sell any shares of Ambit Biosciences common stock. The tender offer described herein has not yet been commenced. On the commencement date of the tender offer, an offer to purchase, a letter of

transmittal and related documents will be filed with the Securities and Exchange Commission (SEC). The solicitation of offers to buy shares of Ambit Biosciences common stock will only be made pursuant to the offer to purchase, the letter of transmittal and related documents. Investors and Ambit Biosciences securityholders are strongly advised to read both the tender offer statement and the solicitation/recommendation statement that will be filed by Ambit Biosciences regarding the tender offer when they become available as they will contain important information. Investors and securityholders may obtain free copies of these statements (when available) and other documents filed with respect to the tender offer at the SEC's website at www.sec.gov. In addition, copies of the tender offer statement and related materials (when available) may be obtained for free by directing such requests to the information agent for the tender offer or by directing such requests to the Daiichi Sankyo Group investor relations at the e-mail address below. The solicitation/recommendation statement and related documents (when available) may be obtained by directing such requests to Ambit Biosciences investor relations at the phone number or e-mail address below.

Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements. Any statements contained herein which do not describe historical facts, including but not limited to, statements regarding: the proposed transaction between Daiichi Sankyo and Ambit Biosciences; the expected timetable for completing the transaction; strategic and other potential benefits of the transaction; Ambit Biosciences' product candidates, including regarding the therapeutic and commercial potential of quizartinib; and any other statements about Daiichi Sankyo or Ambit Biosciences managements' future expectations, beliefs, goals, plans, or prospects, are forward-looking statements which involve risks and uncertainties that could cause actual results to differ materially from those discussed in such forward-looking statements. Such risks and uncertainties include: the possibility that certain closing conditions to the transaction will not be satisfied; that required regulatory approvals for the transaction may not be obtained in a timely manner, if at all; the ability to timely consummate the transaction and possibility that the transaction will not be completed; the ability of Daiichi Sankyo to successfully integrate Ambit Biosciences operations and employees; the anticipated benefits of the transaction may not be realized; risks related to drug development and commercialization; and those additional factors discussed in Ambit Biosciences' most recent Quarterly and Annual Reports on Forms 10-Q and 10-K filed with the Securities and Exchange Commission. Daiichi Sankyo and Ambit Biosciences caution investors not to place considerable reliance on the forward-looking statements contained in this press release. These forward-looking statements speak only as of the date of this document, and Daiichi Sankyo and Ambit Biosciences undertake no obligation to update or revise any of these statements.

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Daiichi Sankyo agrees to acquire Ambit Biosciences

with the aim of strengthening its oncology business

It is our great pleasure to inform you that Daiichi Sankyo has entered into a merger agreement to acquire Ambit Biosciences Corporation (hereafter Ambit), headquartered in San Diego, California, for the purpose of further strengthening our oncology portfolio. The agreement outlines that Daiichi Sankyo will seek to purchase all outstanding stock shares of Ambit Biosciences through what is called a tender offer. We are optimistic that our attractive offer will be accepted by the company's shareholders and expect the deal to close in the coming months.

Ambit Biosciences is a US-based biopharmaceutical company engaged in the discovery and development of kinase inhibitors for the treatment of cancer and inflammatory diseases. The lead Ambit Biosciences drug candidate, quizartinib, is currently in phase 3 clinical trials among patients with acute myeloid leukemia (AML), who express a genetic mutation in FLT3 and who are refractory to or relapsed after first-line treatment with or without hematopoietic stem cell transplantation (HSCT) consolidation. AML is a fast-growing form of cancer of the blood and bone marrow, and patients with the FLT3 mutation tend to have a poorer prognosis than those whose cancers are FLT3 negative.

As there have been no newly approved treatments for AML in a few decades, we will be proud to have the opportunity to progress this promising compound within the Daiichi Sankyo portfolio. Both the U.S. Food and Drug Administration (FDA) and European Commission have granted orphan drug designation to quizartinib for the treatment of AML.

We expect this drug will be developed successfully as a mainstay product to strengthen our presence in oncology, and sustain our innovative pharmaceutical business. For more information on this agreement, please see our [press release issued today](#).

This transaction is subject to customary closing conditions, including that a majority of Ambit Biosciences' shares are tendered to us and receipt of U.S. competition approval.

Best Regards,

George Nakayama
President and CEO

Stu Mackey
Global Head of Business Development

Important Information about the Tender Offer

The tender offer described in this notice (the Offer) has not yet commenced, and this notice is neither an offer to purchase nor a solicitation of an offer to sell any shares of the common stock of Ambit Biosciences or any other securities. On the commencement date of the Offer, a tender offer statement on Schedule TO, including an offer to purchase, a letter of transmittal and related documents, will be filed with the Securities and Exchange Commission (SEC) by Charge Acquisition Corp., an entity formed for the purpose of making the Offer and a wholly owned subsidiary of Daiichi Sankyo Company, Ltd., and a Solicitation/Recommendation Statement on Schedule 14D-9 will be filed with the SEC by Ambit Biosciences. The offer to purchase shares of Ambit Biosciences common stock will only be made pursuant to the offer to purchase, the letter of transmittal and related documents filed as a part of the Schedule TO. **INVESTORS AND SECURITY HOLDERS ARE URGED TO READ BOTH THE TENDER OFFER STATEMENT AND THE SOLICITATION/RECOMMENDATION STATEMENT REGARDING THE OFFER, AS THEY MAY BE AMENDED FROM TIME TO TIME, WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.** Investors and security holders may obtain a free copy of these statements (when available) and other documents filed with the SEC at the website maintained by the SEC at www.sec.gov. In addition, the Solicitation/Recommendation Statement and related documents (when available) may be obtained for free by contacting the investor relations department of Ambit Biosciences at mgraham@ambitbio.com. The Offer to Purchase and related documents (when available) may be obtained for free by contacting the investor relations department of Daiichi Sankyo at minobe.yasuki.eg@daiichisankyo.co.jp or by directing such requests to the Information Agent for the tender offer which will be named in the tender offer statement.