

Smith & Nephew shares rocket on takeover report

LONDON, UK: Shares in British health firm Smith & Nephew soared on Monday, 10 January 2010, after a weekend report of a potential takeover approach from US cosmetics and drugs giant Johnson & Johnson.

S&N, which is the biggest maker of replacement knees and hips in Europe, saw its share price rocket 12.23% to 729.50 pence in afternoon deals, topping the risers board on London's FTSE 100 index of leading shares.

Sky News reported on Sunday that Smith & Nephew had rejected an approach worth 7.0 billion (8.4 billion euros, US\$10.8 billion) from J&J several weeks ago but the broadcaster did not cite its source.

London-based S&N was not immediately available for comment while a J&J spokesman said that the group would not comment on market speculation.

"Smith & Nephew is unsurprisingly the largest riser after reports it turned down an offer from Johnson & Johnson," said Spreadex analyst Phil Gillett.

"It is believed that S&N is worth around nine pounds per share and now could open the market for counter bids.

"The view that the market is ripe for merger and acquisition activity seems to be holding water," he added.

Source: AFP