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Vertex Pharma to acquire Semma for $950 million

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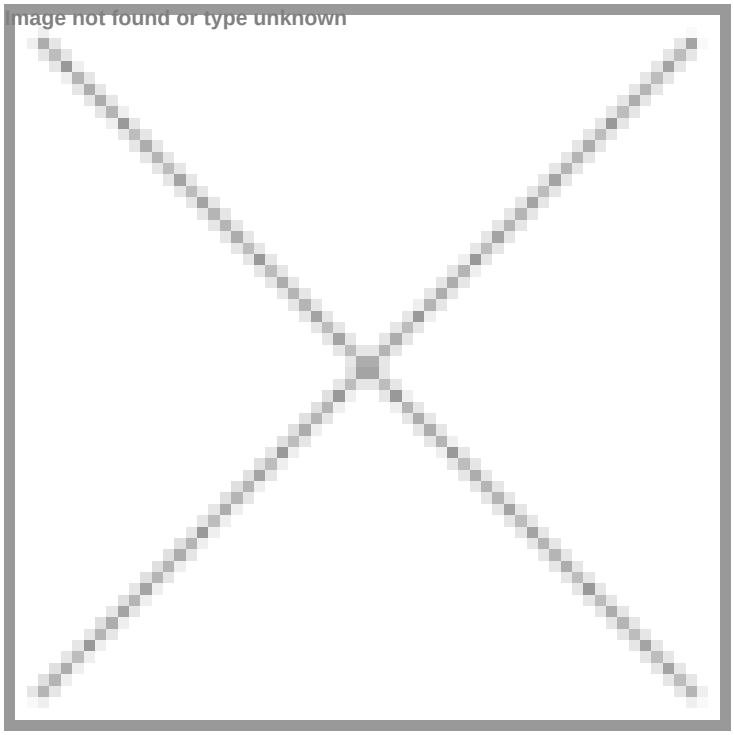
Semma's unique investigational approach combines robust production process of pancreatic islet cells with proprietary delivery system to restore insulin secretion in type 1 diabetes patients



Vertex Pharmaceuticals Incorporated has entered into a definitive agreement under which Vertex will acquire Semma Therapeutics, a privately held biotechnology company pioneering the use of stem cell-derived human islets as a potentially curative treatment for type 1 diabetes, for $950 million in cash. Semma has demonstrated a differentiated approach to treat type 1 diabetes, a serious disease affecting over one million people in the United States alone. Semma has made two major scientific advances: the ability to produce large quantities of functional human pancreatic beta cells that restore insulin secretion and ameliorate hypoglycemia in animal models and a novel device that encapsulates and protects these cells from the immune system, enabling durable implantation without the need for ongoing immunosuppressive therapy.

"This acquisition aligns perfectly with our strategy of investing in scientific innovation to create transformative medicines for people with serious diseases in specialty markets," said Jeffrey Leiden, M.D., Ph.D., Chairman, President and Chief Executive Officer of Vertex. "We are excited to work with the talented scientists at Semma to build on their significant progress toward providing effective and potentially curative cell therapy options for people living with type 1 diabetes. We see a substantial opportunity to transform the treatment paradigm for type 1 diabetes, a specialty disease cared for by endocrinologists, both by advancing the development and manufacturing of the cells themselves, as well as through the highly innovative cell/device combination."

“The therapeutic approach pioneered by Semma has the potential to address the causal human biology of type 1 diabetes, a serious disease inadequately controlled by existing therapies. Unlike insulin injections and insulin pumps, islet cell transplantation can provide physiologic regulation of blood glucose thereby potentially ameliorating or preventing both the hyperglycemic and hypoglycemic episodes associated with the current standards of care,” said David Altshuler, M.D., Ph.D., Executive Vice President, Global Research and Chief Scientific Officer of Vertex. “Their compelling proof-of-concept data in animals demonstrates the opportunity to develop transformative and potentially curative therapies to treat people with type 1 diabetes. In addition, the acquisition of Semma continues to expand the Vertex toolbox of cutting edge technologies and capabilities, and bolsters our team of leading scientists.”