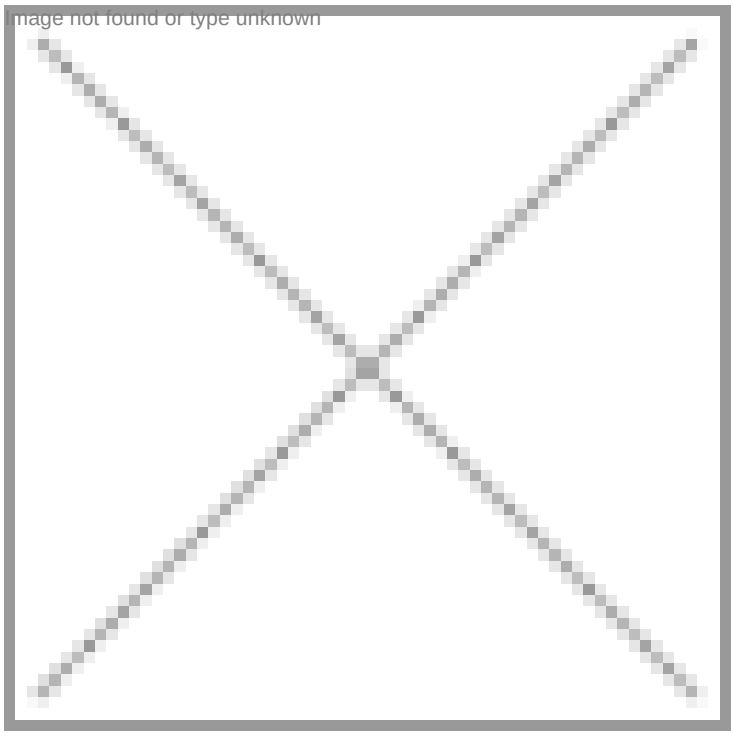
BioSpectrum the business of Bio & Health Sciences

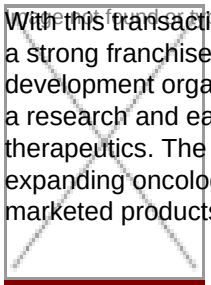
Genzyme to buy Ilex for $1 billion in stock

11 March 2004 | News



Genzyme to buy Ilex for $1 billion in stock

Genzyme Corp. and ILEX Oncology have announced a merger agreement under which ILEX shareholders will receive shares of Genzyme common stock valued at $26.00 per share, or approximately $1 billion in equity value. Excluding amortization, the transaction is expected to be dilutive to Genzyme's near-term earnings and accretive in 2006.



With this transaction, Genzyme takes a significant step toward fulfilling its goal of building an oncology business. ILEX offers a strong franchise with a growing marketed product, a promising pipeline with two late-stage products and a first-class clinical development organization. The pipeline significantly augments Genzyme's long-standing program in oncology, which includes a research and early development portfolio with particular strengths in antibodies, small molecules and cell-based therapeutics. The merger also capitalizes on Genzyme's substantial expertise in biologics and targeted therapeutics, and its expanding oncology testing business. Genzyme is one of the world's top five biotechnology companies, with 10 major marketed products and a global regulatory, manufacturing and commercial infrastructure

Henri A Termeer

"This transaction is a very good strategic fit for Genzyme that provides us with a solid franchise in the important field of oncology," stated Henri A Termeer, chairman and chief executive officer, Genzyme Corporation. "Through this merger, we gain an experienced team that has brought a cancer therapy from development to market. The combined strength of the ILEX program and Genzyme's oncology pipeline expertise and infrastructure will provide the foundation for a sustainable and competitive commercial oncology business."

ILEX's lead pipeline candidate is clofarabine, a next-generation purine nucleoside analogue that inhibits both DNA and RNA synthesis. ILEX is currently investigating clofarabine for use in pediatric and adult acute leukemias, as well as advanced solid tumors. ILEX has initiated a rolling New Drug Application (NDA) with the FDA for treatment of relapsed or refractory acute leukemias in children following receipt of a fast track designation and Genzyme expects approval of clofarabine in 2005. ILEX recently reported positive interim results from Phase II studies for clofarabine in pediatric and adult acute leukemia. Phase I studies evaluating clofarabine in advanced solid tumors are currently underway in both intravenous and oral formulations.

Aegera announces $15 million financing

Aegera Therapeutics, a leading Canadian biotechnology company, announced the closing of their Series C financing round. Led by the VenGrowth Advanced Life Sciences Fund and strongly supported by new and existing investors, Aegera raised $15 Million to fund multiple clinical trials of its two lead drug candidates.

Aegera's lead oncology program, which will soon begin Phase 1 clinical trials, is a second-generation antisense therapeutic targeting the X-linked Inhibitor of Apoptosis Protein (XIAP) for multiple cancer indications. Aegera's second oncology program is a small molecule that alleviates the untreated side-effect of chemotherapy-induced neuropathy, which will enter formal development later this year.

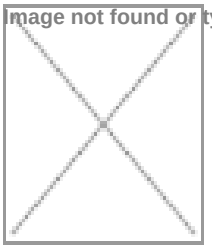
"This financing, supported by almost all of Canada's leading private biotechnology investors, is the strongest possible affirmation of the value of our exciting clinical development plan and expertise on the central role of apoptosis in cancer," stated Michael Atkin, president and CEO. "The use of proceeds will accelerate and strengthen our XIAP antisense clinical programs in multiple indications and geographies, allow pre-clinical development of our small molecule neuropathy compound, and build a pipeline of proprietary small molecule therapeutics and line extension opportunities as future clinical candidates."

Genzyme Acquires Alfigen

Genzyme Genetics, a business unit of Genzyme Corporation, announced that it has purchased substantially all of the assets of Alfigen Inc., a national genetic testing provider based in Pasadena, California. This transaction brings together two organizations committed to excellence in genetic testing. The purchase of this privately owned laboratory business allows Genzyme Genetics to expand its extensive test menu and service offerings. Alfigen offers innovative testing technologies and services, such as preimplantation genetic diagnosis, genetic counseling and continuing medical education programming.

"This acquisition provides us with an opportunity to not only leverage Alfigen's 20 years of experience within the industry, but also to utilize our existing assets and bring the combined service offerings to customers of both Alfigen and Genzyme," says Mara Aspinall, president, Genzyme Genetics. "Like Genzyme, Alfigen's commitment to advancing science is supported by an excellent staff and we are working closely with the Alfigen team to effect a smooth transition. We are eager to continue to provide the highest quality of prenatal, oncology and other testing to physicians and patients."

Hollis-Eden to acquire Congressional Pharma



Hollis-Eden Pharmaceuticals announced that it has acquired all of the capital stock of Congressional Pharmaceutical Corporation (CPC). CPC is a closely held company with exclusive intellectual property rights licensed from the University of Chicago to develop a series of compounds that have the potential to protect against DNA mutations that can occur as a result of radiation injury or chemotherapy. This DNA damage (mutagenesis) has been associated with an increased risk of a variety of different cancers and is believed to be a primary cause of the harmful long-term effects of radiation injury. In exchange for CPC's capital stock, CPC stockholders are receiving shares of Hollis-Eden Common Stock, as well as the right to receive additional shares of Hollis-Eden Common Stock based on the achievement of certain development milestones. In addition, CPC stockholders may be entitled to receive royalty payments upon regulatory approval and commercialization of products covered by the licensed intellectual property.

David J Grdina

The intellectual property rights acquired by Hollis-Eden consist of a series of patents and patent applications that relate to discoveries made by David J Grdina, professor of radiation and cellular oncology at the University of Chicago. Dr Grdina, who has agreed to an exclusive consulting arrangement with Hollis-Eden for the development of this technology, is widely recognized as an expert in radiobiology and has worked closely with the Armed Forces Radiobiology Research Institute (AFRRI) and the Walter Reed Army Institute of Research over the last twenty years in the development of products for use against radiation injury. In 1983, Dr. Grdina established at the Argonne National Laboratory the program for use of phosphorothioates to prevent radiation induced mutagenesis, and was the director and program leader for Radiation Biology using the JANUS reactor, the only nuclear reactor designed strictly for radiobiological use. Dr. Grdina has published over 145 peer-reviewed papers in the fields of radiation and cancer biology.

CPC's lead candidate to prevent DNA mutations from radiation exposure is phosphonol. Hollis-Eden expects to begin profiling phosphonol in a series of animal models designed to assess the safety, efficacy and oral bioavailability of the compound. The Company is also preparing to begin a dialog with the United States Food and Drug Administration (FDA) about specific development objectives that would be required for approval of the compound. Hollis-Eden believes that phosphonol may be eligible for review by the FDA pursuant to a recently enacted rule for countermeasures to weapons of mass destruction. According to this new rule, in the event it would be considered unethical to conduct efficacy studies in humans, a product may be approved on the basis of efficacy in relevant animal models and safety in humans.

Neurocrine acquires Wyeth's Indiplon

Image not found or type unknown

Gary Lyons

Neurocrine Biosciences has purchased from Wyeth all of Wyeth's financial interest in indiplon, Neurocrine's late stage clinical development compound for the treatment of insomnia. Neurocrine will now retain all milestone, royalty and other payments on Indiplon commercialization that would have otherwise been payable to Wyeth. The transaction also provides Neurocrine ownership and control over the indiplon composition of matter patent, which expires in 2020. The transaction is valued at approximately $95 million, with $50 million payable in cash and $45 million payable in Neurocrine common stock at a 15-day average price preceding the signing of the agreement.

"The acquisition of the indiplon royalty stream from Wyeth has important strategic value for Neurocrine and its shareholders. This transaction leverages our strong cash and equity currency to bolster future earnings. Our indiplon royalty obligations of six percent are now reduced to three and one-half percent and will be accretive to earnings in our first year of commercialization," said Gary Lyons, president and CEO of Neurocrine Biosciences.

Upon approval of the transaction Wyeth will assign to Neurocrine its license agreement with DOV and all of Wyeth's right, title and interest in and to the indiplon composition patent filed by Neurocrine in Wyeth's name. Wyeth's financial interest in indiplon arises out of a 1998 license agreement between Wyeth and DOV Pharmaceutical, Inc. in which Wyeth licensed the indiplon technology to DOV Pharmaceutical in exchange for milestone payments and royalties on future sales of indiplon.

Algorx raises $65 Million

AlgoRx Pharmaceuticals, Inc., a privately-held pharmaceutical company, announced that it has raised $65 million through a Series C financing led by Advent International. The company has raised more than $89 million since its inception in March 2001. AlgoRx also announced that Charles Cohen, a partner at Advent International, has joined the company's board of directors.

"The success of this financing and the strong interest from such high-quality investors validates our excitement in the medical and commercial opportunities for AlgoRx's products," said Ronald M Burch, president and CEO, AlgoRx. The company's first product, ALGRX 4975 (capsaicin for injection), a treatment for localized severe and intractable pain, recently completed two

positive Phase IIa studies and will be evaluated in additional Phase II trials during 2004.

Domantis raises $33 million

Domantis Ltd, a leading Domain Antibody (dAb) therapeutics company, announced that it has raised $33 million in a Series B financing round led by 3i Group PLC (UK). Other new investors include Gray Ghost LLC (Baltimore, US), Albany Ventures (UK) and an undisclosed institutional investor from the United States. The company's existing shareholders, MVM (UK) and Peptech Limited, the quoted Australian biotechnology company, also participated in this round.

Domantis' CEO, Robert Connelly said, "We are delighted to have closed one of the largest Series B rounds in Europe over the last 12 months and to have attracted such a high calibre group of international investors. The new funding will enable us to fast track our lead dAb programs into the clinic to demonstrate human efficacy, whilst building a substantial discovery, preclinical and clinical pipeline behind them."

Domain Antibodies have broad therapeutic potential in conditions including respiratory disease, inflammation, cancer and cardiac disorders. They also support multiple product formats, such as dual targeting molecules that can hit two separate therapeutic targets in a single product. Furthermore, dAbs can be used in a variety of diverse formulation and delivery options (e.g. oral and pulmonary administration), providing more effective drugs with reduced side effects.

NeurogesX gets $35 Million

NeurogesX, Inc., a specialty pharmaceutical company focused on the development and commercialization of novel treatments for improved relief of neuropathic pain, announced it has raised $35 million in a Series C round of equity financing. Leading the round was new investor Global Life Science Ventures who was joined by Diamond Capital Management as agent for Dow Employees' Pension Plan and the Union Carbide Employees' Pension Plan. It has raised approximately $65 million in total equity investments since its first equity financing round in June 2000.

"We are excited by our progress in developing potential treatments for neuropathic pain for both postherpetic neuralgia and painful HIV-associated neuropathy," said Anthony DiTonno, CEO and President of NeurogesX. "This funding will allow us to complete our pivotal trials for NGX- 4010, expand our technological capabilities, acquire additional products and submit the NGX- 4010 NDA."

NGX 4010 is an advanced, clinician-administered dermal treatment for neuropathic pain with a profile unlike currently available neuropathic pain treatment options, which are associated with systemic side effects and inconvenient dosing regimens. In a phase II clinical trial, a single administration of NGX-4010 provided a profound and clinically significant reduction of pain in postherpetic neuralgia patients, beginning shortly after treatment and lasting for at least twelve weeks. Similar results were demonstrated in a pilot Phase II HIV-associated neuropathy trial. There have been no significant safety issues seen to date. It plans to commence studies of NGX-4010 in painful diabetic neuropathy patients in the second half of 2004.

Enzo Biochem acquires assets of Oragen

Enzo Biochem, a leading biotechnology company specializing in gene identification and genetic and immunological regulation technologies for diagnostic and therapeutic applications, has acquired the assets of OraGen Corp., a privately owned biotech corporation specializing in immune regulation technologies, headquartered in Morristown, NJ.

Enzo said that the acquisition will broaden its proprietary intellectual and technological capabilities in the area of immunological regulation, particularly as it relates to the treatment of infectious diseases. Enzo stated that the acquisition is in line with the company's strategy to act on opportunities that can be accretive to its efforts in accelerating its developmental program.

"The addition of OraGen's technology in developing immunological therapies for infectious diseases, particularly hepatitis B, provides an added dimension to our Company's considerable intellectual property and product development in this area," said Elazar Rabbani, Ph.D., Chairman and CEO of Enzo.

"Given Enzo's advanced position in the field of immune regulation, combining our technology with Enzo's program makes

eminent sense," said John Callahan, President of OraGen. "It's an exciting prospect."

Medsurge to purchase Cryo-Genomics

Medsurge Medical Products Corp. has entered into an agreement to purchase Cryo-Genomics Ltd and all its rights, patents, and proprietary technologies with regards to 2 tier Faecal Occult Blood Testing (FOBT). FOBT is the gold standard for Colo-Rectal Cancer prevention with studies indicating that one third of all Colo-Rectal cancer deaths can be prevented through yearly FOBT testing. Further investigation reveal an enormous market size whereby every person over the age of 50 should have FOBT done annually as compared to hemorrhoid banding which affects one in four people over age 55 in their lifetime. The sell price of the slides and reagents for testing would sell for a similar price as the O'Regan Ligator. The potential estimated market size is therefore in excess of $15 billion per year. The product is complimentary and ideal for colo-rectal health clinics and Medsurge's existing world distribution network, as hemorrhoids that usually bleed, should be banded before FOBT is performed.

Marc Morin, President and CEO of Medsurge, said, "Entering the cancer prevention market is a further indication of Medsurge's commitment to lead in bringing to market proprietary niche patented medical technologies. I would like to thank everyone involved for their many months of work on this project ."