

Pharma News Daily

Newcomers on the pharma M&A scene in 2007 include several Japanese buys in USA

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2007 saw no mega merger and acquisition activity in the pharmaceutical and biotechnology sectors, but some interesting moves from Japanese, Indian and Chinese firms. Taking into account the transactions that specified financial terms, the total value of acquisitions was \$101.21 billion, slightly down on 2006, when the figure was \$106.32 billion (Marketletter Jan 1 & 8, 2007). For the full list of acquisitions in 2007 see pages 24-25.

It is difficult to say which was the biggest deal of 2007, since AstraZeneca's \$15.6 billion purchase of MedImmune seems to be topped by the Schering-Plough's agreement to acquire the Dutch Organon business which, when first announced, was valued at around \$14.4 billion versus the 11.0 billion-euro bid, a figure which increased to \$15.99 billion euros on exchange rates when it was finally completed. Also, Merck KGaA's \$14.6 billion acquisition of Swiss firm Serono closed in 2007.

Advent of mega licensing deals

While there was nothing to compare with the \$62.6 billion merger of France's Sanofi Synthelabo with France-German Aventis a couple of years ago, the new phenomena of 2007 was "billion dollar plus" transactions for product licensing. While there were no acquisitions of companies by Switzerland's top drugmaker Novartis, the company did, however, enter a \$1.0 billion deal to acquire antibody technology from Germany's MorphoSys (Marketletter December 10). Fellow Swiss firm Roche did a similar transaction with USA-based Alnylam. In this direction, US drug major Merck & Co entered a \$1.0 billion licensing deal with Ariad Pharmaceutical.

The year saw several Japanese forays into the US marketplace, with Astellas buying Agensys for \$537.0 million and Eisai paying \$325.0 million for Morphotek and \$3.9 billion for MGI Pharma. Kirin acquired a majority stake in fellow Japan-based Kyowa Hakko Kogyo for a consideration of \$2.55 billion.

Indian drugmakers increased their overseas footprints, with Lupin buying Japanese company Kyowa Pharmaceuticals in an \$85.0 million deal and Sun Pharmaceuticals acquiring the Israel generic drugmaker Taro Pharmaceuticals for \$454.0 million.

Chinese firms entering into M&A activity included: two purchases by China Med-Pharma - the outstanding 51% stake in Sunstone for \$92.7 million and Shanghai Rongheng for an undisclosed amount; and China Biopharma taking over Beijing Tein Cheng.

Hungary's Richter Gedeon had a busy year, first acquiring an 80% stake in OAO Akrihin for \$128.0 million, a 95.8% share of Pharmafarn (financial consideration not revealed) and Strathmann Biotech GmbH for \$31.6 million, then entering into a \$1.34 billion merger deal with Poland's Polpharma.

Other deals exceeding the billion dollar level included: Abbott Laboratories acquiring fellow US drugmaker Kos Pharmaceuticals for \$3.7 billion; Celgene taking over Pharmion for \$2.9 billion; Eli Lilly's \$2.3 billion deal for ICOS; GlaxoSmithKline buying Reliant Pharmaceuticals for \$1.65 billion; Mylan's successful \$6.7 billion bid for Merck KGaA's generics business; Norwegian firm Nycomed's \$5.7 billion acquisition of the German Altana group's pharmaceutical business; Qiagen's \$1.6 billion take over of Digene; Reckit Benkiser's \$2.3 billion deal for Adams Respiratory Therapeutics; Shire's \$2.6 billion acquisition of New River Pharmaceuticals; and private equity firm TPG Capital taking control of Axcan Pharma for \$1.3 billion.

Roche made three acquisitions last year: a 5% stake in Alnylam for \$42.5 million along with its previously-mentioned \$1.0 billion licensing deal; paying \$272.5 million for NimbleGen; and \$600.0 million for BioVeris. Other European drugmakers making acquisitions were Spanish firms Laboratorios Almirall buying Germany's Hermal for \$516.2 million and Ferrer Gelos (terms not disclosed); and France's Pierre Fabre taking over the over-the-counter business of UCB for \$23.4 million.

Elsewhere, Jordan's Hikma made two buys: the Arab Pharmaceutical Manufacturing Co for \$163.2 million and Alkan Pharma for \$60.5 million.

Company	Partner	Deal value (\$)	Completed
Abbott Laboratories	Kos Pharmaceuticals	\$3.7 billion	Jan 2007
Actelion	CoTherix	\$420.0 million	1Q 2007
Access	Somanta Pharmaceuticals	Undisclosed	3Q 2007
Advanced Cell Tech	Mytogen	\$5.0 million	Oct 2007
Alltracel	Synpart AG	\$8.6 million	Sep 2007
Amarin	Ester Neurosciences	\$15.0 million	1Q 2008
American Oriental	Guangxi Boke	\$40.0 million	3Q 2007
Amgen	Alantos	\$300.0 million	June 2007
Amgen	Ilypsa	\$420.0 million	June 2007
Apax Partners	Qualitest	Undisclosed	TBC
Apax Partners	Vintage Pharmaceuticals	Undisclosed	TBC
Applera Corp	Atria Genetics	\$33.0 million	1Q 2007
Apotex	Lareq Pharma	Undisclosed	TBC
Apotex	TopGen ESV	Undisclosed	TBC
Aptuit	Evotec AG (C&D dev.unit)	Undisclosed	Dec 2007
Astellas	Agensys	\$537.0 million	TBC
AstraZeneca	MedImmune	\$15.6 billion	Dec 2007
Aviation Upgrade Tech	OncoVista	Undisclosed	Nov 2007
Avesta	Siegfried Biologics	Undisclosed	Oct 2007
Azur Pharma	Pharmelle	\$27.6 million	Mar 2007
Beijing Med-Pharm	Sunstone (final 51% stake)	\$92.7 million	Oct 2007
Beijing Med-Pharm	Shanghai Rongheng Pharma.	Undisclosed	2Q 2007
Bio-Bridge	Lanzhou Roya Biotech (51%)	\$67.0 million	TBC
Biogen Idec	Syntonix	\$40.0 million	1Q 2007
BioProgress	Melbrosin	\$47.1 million	TBC
Biotest	Nabi Biopharmaceuticals	\$185.0 million	Dec 2007
Bioton SA	Biopartners Holdings AG	\$78.0 million	TBC
Blackstone Group	Cardinal Health (PTS)	\$3.3 billion	TBC
Bristol-Myers Squibb	Adnexus Therapeutics	\$430.0 million	1Q 2007
Cegedim SA	Dendrite International	\$751.0 million	May 2007
Celgene	Pharmion Corp	\$2.9 billion	TBC
Cell Therapeutics	Systems Medicine Inc	\$20.0 million	Aug 2007
China Biopharma	Beijing Tiancheng Haixin	Undisclosed	TBC
Concateno	Cozart	\$122.9 million	TBC
Cubist Pharmaceuticals	Illumigen	\$4.7 million	Oct 2007
DARA BioSciences	Point Therapeutics	Undisclosed	1Q/08 (e)
Direvo Biotech AG	AC Biotech GmbH	Undisclosed	Nov 2007
Eisai	MGI Pharma	\$3.9 billion	1Q/08 (e)
Eisai	Morphotek	\$325.0 million	March 2007
Eli Lilly	ICOS Corp	\$2.3 billion	Feb 2007
Entelos	Iconix Biosciences	Undisclosed	Aug 2007
Enzo Biochem	Axxora Life Sciences	\$16.3 million	TBC
Evotec AG	Renovis	\$151.8 million	TBC
Ferrer	Gelos	Undisclosed	Nov 2007
Forest Laboratories	Cerexa	\$480.0 million	TBC
Galenica	Aspreva Pharmaceuticals	\$915.0 million	TBC
Genzyme	Bioenvision	\$345.0 million	Oct 2007
Genentech	Tanox	\$919.0 million	Aug 2007
Groupe Novasep	PharmaChem Technologies	Undisclosed	TBC
GlaxoSmithKline	Reliant Pharmaceuticals	\$1.65 billion	Dec 2007
Hikma	Arab Pharma. Manufacturing	\$163.6 million	early 08
Hikma	Alkan Pharma	\$60.5 million	4Q/07 (e)

ImmunoVaccine	Immunotope	Undisclosed	June 2008
ImmunoCellular Thera	Molecular Disc. (MAbtech)	Undisclosed	Feb/08 (e)
Indevus	Valera Pharmaceuticals	\$120.0 million	Apr 2007
Isis Pharmaceuticals	Symphony GenIsis	\$120.0million	Sep 2007
JHP Pharmaceuticals	King Pharma (US plant & CM)	\$90.0 million	July 2007
Kirin Holdings	Kyowa Hakko Kogyo (50.1%)	\$2.55 billion	TBC
Laboratorios Almirall	Hermal	\$516.2 million	Sep 2007
Lupin	Kyowa Pharmaceuticals	\$85.0 million	TBC
Maelor	Acorus Therapeutics	\$25.6 million	May 2007
McKesson	Oncology Thera. Network	\$575.0 million	TBC
Meda AB	Recip	\$407.0 million	Dec 2007
Merck & Co	NovaCardia	\$366.4 million	Sep 2007
Merck KGaA	Serono	\$14.6 billion	Jan 2007
Mylan	Merck KGaA generics unit	\$6.7 billion	May 2007
Noven Pharmaceuticals	JDS Pharmaceuticals	\$125.0 million	July 2007
Nycomed	Altana Pharma AG	\$5.7 billion	Jan 2007
Nycomed	Bradley Pharmaceuticals	\$346.0 million	TBC
Orexo AB	Biolipox	\$133.8 million	TBC
Oxford BioMedica	Oxxon Therapeutics	\$30.8 million	Mar 2007
Par Pharmaceutical	IntelliPharmaCeutics (4.2%)	Undisclosed	Aug 2007
Peptech	EvoGenix	\$129.0 million	TBC
Pfizer	Coley Pharma	\$164.0 million	1Q/08 (e)
Pfizer	CovX	Undisclosed	1Q/08 (e)
Pierre Fabre	UCB OTC business	\$23.4 million	Jan 2007
Plant Technologies	Antigen Laboratories	\$10.0 million	TBC
PPG Industries	ZaCh Sys. (fine chem unit)	\$65.0 million	Sep 2007
Qiagen	Digene	\$1.6 billion	Aug 2007
Qiagen	eGene	\$34.0 million	3Q 2007
QLT	ForSight Newco II	\$42.0 million	4Q/07 (e)
QPS	Bio-Kinetic	Undisclosed	TBC
Reckitt Benckiser	Adams Respiratory Thera	\$2.3 billion	TBC
Richter Gedeon	Polpharma	\$1.34 billion	TBC
Richter Gedeon	OAO Akrihin (80%)	\$128.0 million	TBC
Richter Gedeon	Pharmafarm (95.8%)	Undisclosed	Oct 2007
Richter/Helm AG JV	Strathmann Biotec GmbH	\$31.6 million	Aug 2007
Roche	Alnylam (5% stake)	\$42.5 million	July 2007
Roche	NimbleGen	\$272.5 million	TBC
Roche	BioVeris	\$600.0 million	TBC
Rottapharm	Madaus Pharma	Undisclosed	June 2007
Rubio	Pharmout	Undisclosed	Nov 2007
Sanofi-Aventis	Regeneron (from 4% to 19%)	\$312.0 million	Dec 2007
Schering-Plough	Organon BioSciences	\$15.99 billion	Nov 2007
Sciele Pharma	Alliant Pharmaceuticals	\$109.7 million	June 2007
Serentis	Surface Therapeutics	Undisclosed	Oct 2007
Shire	New River Pharmaceuticals	\$2.6 billion	Apr 2007
Sigma-Aldrich	Molecular Med. BioServices	Undisclosed	TBC
Simcere Pharmaceutical	Boda Pharmaceutical (51%)	\$14.8 million	TBC
Sinclair Pharma	Ashbourne Pharmaceuticals	\$2.3 million	Sep 2007
Stada Arzneimittel	ZAO MAKIZ-Pharma	\$171.0 million	Aug 2007
Sun Pharmaceutical	Taro Pharmaceuticals	\$454.0 million	TBC
Tepnel Life Sciences	Wildlife DNA Services	Undisclosed	July 2007
TopoTarget AS	Apoxis SA	\$19.4 million	TBC
TPG Capital	Axcan	\$1.3 billion	1Q 2008
Vastox	Daniolabs	\$29.4 million	Apr 2007
Vastox	Dextra	\$3.0 million	Apr 2007
VioQuest Pharma	Chiral Quest (buy-out)	\$3.0 million	2Q 2007
Wyeth	Haptogen	Undisclosed	TBC

York Pharma Rosanto Pharmaceuticals \$4.0 million Apr 2007
TBC = To Be Confirmed (e) = Expected date of closing

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