

AstraZeneca to acquire Omthera Pharmaceuticals

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AstraZeneca has entered into a definitive agreement to acquire New Jersey-based, Omthera Pharmaceuticals, a specialty pharmaceutical company focused on the development and commercialization of new therapies for abnormal levels of lipids in the blood, referred to as dyslipidemia.

Under the terms of the agreement, AstraZeneca will acquire Omthera for \$12.70 per share, or approximately \$323 million, which has an enterprise value of approximately \$260 million after incorporating Omthera's cash balances of approximately \$63 million. This represents a premium of 88 percent on Omthera's closing price on May 24, 2013. In addition to the cash payment, each Omthera shareholder will receive Contingent Value Rights (CVRs) of up to approximately \$4.70 per share, equating to approximately \$120 million in total, if specified milestones related to Epanova are achieved, or if a milestone related to global net sales is achieved. This will bring the total potential acquisition cost to approximately \$443 million.

Omthera's investigational product, Epanova, for the potential treatment of patients with very high triglycerides, is a novel omega-3 free fatty acid composition that has been shown to bolster levels of eicosapentaenoic acid and docosahexaenoic acid significantly in the blood. In studies to date, it has been shown to reduce triglyceride levels and improve other key lipid parameters and is expected to increase convenience for patients by providing both two and four gram once-a-day doses with or without meals.

Omthera has completed pharmacokinetic and phase III clinical studies to investigate the safety and efficacy profile of Epanova, a coated soft gelatin capsule containing a complex mixture of polyunsaturated free fatty acids derived from fish oils. In 2012, Omthera reported positive results from two phase III trials (EVOLVE and ESPRIT) examining the effectiveness of Epanova in lowering very high triglycerides, and in reducing non-HDL cholesterol in combination with a statin for patients with high triglycerides. Both trials were conducted under a special protocol assessment with the US FDA.

Omthera is expected to file a New Drug Application (NDA) in the US for Epanova in mid-2013 for patients with severe hypertriglyceridemia (triglyceride levels greater than or equal to 500mg/dL), with regulatory filings in other markets to follow.

AstraZeneca aims to file a supplemental NDA as soon as possible for Epanova as a treatment for patients with mixed dyslipidemia (triglyceride levels of 200-499mg/dl), as well as in a fixed dose combination with CRESTOR (rosuvastatin calcium) for those mixed dyslipidemia patients at high risk of a cardiovascular event. AstraZeneca intends to pursue a large-scale cardiovascular outcomes trial for Epanova in combination with statins.

Pascal Soriot, chief executive officer of AstraZeneca said, "The number of people with elevated triglyceride levels is rising rapidly across the world, due in part to the increasing prevalence of obesity and diabetes. There is a clear need for effective and convenient alternatives to some of the existing treatments. Epanova offers real potential both as a distinctive monotherapy for the treatment of hypertriglyceridemia and in combination with Crestor for patients at high risk of adverse cardiovascular events. This is an exciting acquisition that clearly complements our existing portfolio in cardiovascular and metabolic disease, one of our core therapy areas."

Mr Gerald L Wisler, president and CEO, board member, and co-founder of Omthera, commented, "We are delighted to be joining AstraZeneca, a leading pharmaceutical company with a proven track record in the development and commercialization of global brands in the area of cardiovascular disease. We believe strongly that AstraZeneca can maximise the value of Epanova not only as a monotherapy treatment for dyslipidemia but also as a treatment for cardiovascular disease in combination with Crestor."

The board of directors of Omthera has unanimously approved the terms of the agreement, and has recommended that its shareholders approve the transaction. AstraZeneca's board has also approved the terms of the agreement. Subject to the approval of Omthera's shareholders as well as other conditions including customary regulatory approvals, the transaction is expected to close in the third quarter of 2013. Omthera's shareholders representing approximately 60% of the current total shares outstanding have entered into a voting agreement with AstraZeneca to vote in favour of the transaction, subject to the conditions set out in the voting agreement.

AstraZeneca is a global, innovation-driven biopharmaceutical business that focuses on the discovery, development and commercialisation of prescription medicines, primarily for the treatment of cardiovascular, metabolic, respiratory, inflammation, autoimmune, oncology, infection and neuroscience diseases.