

Corporate Activity – Mergers and Acquisition

Impending mergers and acquisitions

Angiotech Pharmaceuticals of Vancouver, BC, Canada, has entered into a definitive agreement to acquire **Afmedica** of Kalamazoo, MI, a private company developing perivascular technology using the drug rapamycin to treat peripheral vascular disease, coronary artery disease and end-stage renal disease. Angiotech expects to complete the acquisition in Q4 2005. The Afmedica transaction strengthens Angiotech's market leadership with respect to its Vascular Wrap™ product development program, where Angiotech is currently conducting human clinical studies with its paclitaxel-eluting Vascular Wrap product candidate. The transaction enables Angiotech to potentially expand its research platform with rapamycin in perivascular and other selected disease indications. Angiotech has a website at <http://www.angiotech.com/>.

Caliper Life Sciences of Hopkington, MA, has entered into a definitive agreement to acquire **NovaScreen Biosciences**, a privately held life-science services company based in Hanover, MD. The transaction, valued at around \$US30 million, is expected to close during Q4 2005. NovaScreen provides screening, profiling and assay development services for pharmaceutical and biotechnology companies worldwide, and for government agencies such as the National Institutes of Health. By acquiring the company, Caliper will become a central resource for drug-discovery solutions, offering scientists a comprehensive suite of in-house and outsourced drug-discovery technologies, products and services. Caliper will now become a 'one-stop shop' for *in vitro* drug discovery, with state-of-the-art technologies and products as well as leading screening assays and profiling services. The companies have websites at <http://www.caliperLS.com/> and <http://www.novascreen.com/>.

Clinical Data of Newton, MA, will acquire **Icoria** of Research Triangle Park, NC, in an all-stock transaction valued at approximately \$US12.5 million; the acquisition is expected to close by year-end or in early 2006. Icoria is a biotechnology company focused on the discovery of novel, multiparameter biomarkers using its unique multi-platform approach. Icoria uses these biomarkers internally to develop multianalyte diagnostics to define and grade pathology or disease state with a high level of specificity and sensitivity, and uses its technology to help collaborators and customers develop better, safer drugs and diagnostics and to identify targets, leads and drug/

diagnostic combinations for liver injury, metabolic disorders and cancer. "*Icoria's biomarker discovery platform is an excellent fit with our molecular diagnostics business model while their metabolomics and genomics capabilities complement the pharmacogenomics capabilities we will be gaining in our pending acquisition of Genaissance Pharmaceuticals,*" said Israel Stein, president and CEO of Clinical Data. "*This acquisition also strengthens our position in targeted diagnostics and theranostics.*" The companies have websites at <http://www.icoria.com/> and <http://www.clda.com/>.

Corgentech of South San Francisco, CA, and **AlgoRx Pharmaceuticals** of Secaucus, NJ, have entered into a definitive merger agreement to create a late-stage company with a deep pipeline of clinical products that will be largely focused on developing and commercializing products for pain management and inflammation. Under the terms of the agreement, AlgoRx stockholders will own approximately 62% of the combined company and Corgentech stockholders will own 38%. The combined company will have four products in its pipeline. AlgoRx's portfolio of pain management drug candidates includes ALGRX 3268 (phase III), ALGRX 4975 (phase II) and ALGRX 1207 (about to enter clinical testing). Corgentech continues to develop NF-kappaB Decoy, which is in two phase I/II trials for the treatment of eczema. More information on the companies and their technologies are available at <http://www.algorx.com/> and <http://www.corgentech.com/>.

EpiCept and **Maxim Pharmaceuticals** have entered into a definitive merger agreement; the transaction is anticipated to close during Q4 2005. The combined company will retain EpiCept's corporate name and its headquarters in Englewood Cliffs, NJ. The new company combines a late-stage product portfolio of commercially promising pain therapies, a planned cancer product registration filing in Europe and an early-stage discovery program for apoptosis inducers and inhibitors designed to address unmet medical needs in the areas of oncology and degenerative diseases. The companies have websites at <http://www.EpiCept.com/> and <http://www.Maxim.com/>.

Galapagos, a genomics-based biotechnology company based in The Netherlands plans to acquire **BioFocus**, a UK-based integrated drug discovery company, for £20.2 million (\$US36.5 million). BioFocus' expertise in chemistry, lead discovery and lead optimization will greatly accelerate the progress of Galapagos' programs and assist in Galapagos' transition to a fully integrated

drug-development biopharmaceutical company. Galapagos' core expertise lies in the ability to discover and identify novel drug targets. Following the BioFocus acquisition, the company will have the ability to identify and optimize novel drug candidates against these targets, thus generating value by developing drugs along the value chain from target discovery up to preclinical testing. More information about the two companies can be found at <http://www.glp.com/> and at <http://www.biofocus.com/>.

UK-based **GE Healthcare** and **IDX Systems** of Burlington, VT, have entered into a definitive merger agreement for GE to acquire IDX, a leading healthcare information technology (IT) provider. The transaction, valued at \$US1.2 billion, is expected to close by early 2006. The combination of IDX with GE Healthcare will create a leading healthcare IT vendor, offering one of the most comprehensive suites of clinical, imaging and administrative information systems on the market. Further information is available at <http://www.gehealthcare.com/> and <http://www.idx.com/>.

GlaxoSmithKline (GSK) has signed a definitive agreement to acquire **ID Biomedical** of Vancouver, BC, Canada, for \$Can1.7 billion (\$US1.4 billion); ID Biomedical will become a wholly owned subsidiary of GSK. The transaction is expected to close by year-end or early 2006. In addition to acquiring an influenza vaccine business with sales to the Canadian public market, this transaction would enhance GSK's vaccine presence in the US where Fluarix®, GSK's existing influenza vaccine, received US FDA approval at the end of August. ID Biomedical's Fluviral™ has been granted fast-track status by the FDA and is eligible for priority review. ID Biomedical is currently in the process of expanding and upgrading its Canadian manufacturing facilities, which are expected, beginning in 2007, to produce around 75 million doses per year of its Fluviral egg-based influenza vaccine. The companies have websites at <http://www.gsk.com/> and <http://www.idbiomedical.com/>.

Inverness Medical Innovations of Waltham, MA, has entered into a stock purchase agreement with **Thermo Electron** of Waltham, MA, to acquire its point-of-care and rapid diagnostics business, formally known as Thermo Biostar, for \$US52.5 million in cash. The acquisition is expected to close on or about 30 September 2005. Thermo BioStar, located in Louisville, CO, is a leader in the development, manufacture and commercialization of high-performance, rapid diagnostic tests, including tests for the detection of infectious diseases. Further information is available at <http://www.invernessmedical.com/>.

MedImmune has signed a definitive agreement to acquire privately held **Collective Therapeutics** in a cash

transaction that is expected to close by the end of October 2005; both companies are based in Maryland. The transaction provides MedImmune with three preclinical stage programs developing monoclonal antibodies (MAbs) that target the B-cell antigens CD19, CD20, and CD22. These antigens are believed to play important roles in regulating the immune system. Further information is available at <http://www.medimmune.com/>.

Merck KGaA of Darmstadt, Germany, plans to acquire **Prasfarma**, the pharmaceutical business of **Almirall Prodesfarma** of Barcelona, Spain, for €20 million (\$US24.5 million), including inventories and other working capital. The purchase includes related industrial assets of the Almirall Group and is expected to be completed before year-end. "A key element of our strategy in Europe is to expand in fast growing Southern European markets like Spain," said Didier Barret, Head of Merck Generics in Europe. The company has a website at <http://media.merck.de/>.

OXIS International of Portland, OR, and **BioCheck** of Foster City, CA, have entered into a definitive agreement for OXIS to acquire BioCheck for an aggregate purchase price of up to \$US6 million in cash. As a result of the acquisition, BioCheck will become a subsidiary of OXIS, and the combined companies will offer a broad portfolio of high quality assay test kits used by the medical, pharmaceutical and research industries worldwide. OXIS believes that the immunoassay products and technologies of the two companies are complementary. OXIS' core business is diagnostic enzymes, inflammatory and monoclonal/polyclonal antibodies, and nitric oxide biomarkers relating to oxidative stress. BioCheck offers over 45 enzyme immunoassays as well as research services focused on antigen/antibody products. In addition, BioCheck has the commercialization rights for a new cancer biomarker associated with the Id gene, which may play a significant role as a mediator in tumor cell biology. In the area of heart disease, both companies are involved in complementary technologies. BioCheck manufactures ELISA tests using troponin I, myoglobin, and C-reactive protein biomarkers for the evaluation of acute myocardial infarction, while OXIS is developing a series of ELISA cardiac tests involving myeloperoxidase and glutathione peroxidase (used to help predict early cardiac risk). OXIS has a website at <http://www.oxis.com/>.

UK-based **Pharmagene**, a human tissue-based drug-discovery company, has agreed the terms of a merger with **Asterand** of Detroit, MI, a private company focused on human tissue supply and services. The merger, classified as a reverse takeover of Pharmagene, will create a leading company in human tissue supply and human tissue-based

research services comprising a tissue supply network of over 70 sites in the US, UK, Western and Eastern Europe and a biorepository of approximately 300 000 samples and associated clinical and pathological data. On completion, it is proposed that Pharmagene will be renamed Asterand.

The companies have websites at <http://www.pharmagene.com/> and <http://www.asterand.com/>.

Netherlands-based **QIAGEN** has entered into an agreement to purchase all outstanding shares of **Shenzhen PG Biotech** (PG Biotech) based in Shenzhen, China. QIAGEN will pay around \$US14.5 million in cash for all the outstanding capital stock of PG Biotech, subject to Chinese government approval. PG Biotech is a developer, manufacturer and supplier of polymerase chain reaction (PCR)-based molecular diagnostic kits in China, including assays for detection of pathogens such as SARS, hepatitis B virus, *Neisseria* and *Chlamydia*. The acquisition will provide QIAGEN with access to the Asian market via an existing company that sells diagnostic products complementary to QIAGEN's business. The main advantage of the deal is that it provides access to the rapidly expanding Chinese R&D market. QIAGEN has a website at <http://www.qiagen.com/>.

Other impending transactions

Dade Behring of Deerfield, IL, has reached an agreement in principle to acquire certain medical diagnostic assets from **Ranbaxy Laboratories**, India's largest pharmaceutical company. The companies' current partnership allows Ranbaxy's India-based customers to purchase Dade Behring's portfolio of products and services. Because of the success of this current relationship, Dade Behring intends to acquire the same business that is currently distributing Dade Behring products. *"This acquisition will open significant new opportunities in an important world economy,"* said Jim Reid-Anderson, Chairman, President and CEO of Dade Behring. *"India has a growing population, and awareness of the need for health care is increasing rapidly in both urban and rural areas."* Additional information is available at <http://www.dadebehring.com/>.

Completed mergers and acquisitions

UK-based diagnostics company **Cozart** has acquired the Spanish diagnostics business **Spinreact** for €13 million (£8.8 million) in cash. The deal provides Cozart with: access to a technically skilled sales and distribution platform in more than 80 countries; a broader product portfolio within the medical diagnostics market, including point-of-care and laboratory-based products; and access to technical expertise in areas complementary to

Cozart's existing strategic focus (e.g. infectious disease testing). Cozart has a website at <http://www.cozart.co.uk/>.

Luxor Developments has completed an amalgamation with private Canadian biotech company **Amorfix**. The amalgamated company will continue under the Amorfix name. Amorfix is an emerging theranostics company focused on the diagnosis and treatment of neurodegenerative diseases, where aggregated misfolded proteins (AMPs) are prevalent. These include aggregated misfolded prion protein implicated in the transmissible spongiform encephalopathies (TSE), such as bovine spongiform encephalopathy (BSE or 'Mad Cow' disease) and the human form, variant Creutzfeldt-Jakob Disease (vCJD), as well as degenerative diseases such as Alzheimer disease, amyotrophic lateral sclerosis and Parkinson disease. The company was formed in January 2004 to commercialize the epitope protection technologies discovered by Drs Neil Cashman and Marty Lehto at the University of Toronto. The company will use this new knowledge to develop diagnostic kits, therapeutics and prophylactics for AMP diseases. Amorfix has a website at <http://www.amorfix.com/>.

Pfizer has completed its acquisition of **Vicuron Pharmaceuticals** of King of Prussia, PA, a biopharmaceutical company focused on the development of novel anti-infectives for both hospital-based and community-acquired infections. Through the transaction, Pfizer has acquired two new product candidates currently under review at the US FDA: anidulafungin for fungal infections and dalbavancin for Gram-positive infections. Further information about Vicuron is available at <http://www.vicuron.com/>.

ZIOPHARM of New York, NY, and **EasyWeb** of Englewood, CO, have completed their merger; the combined company has changed its name to ZIOPHARM Oncology. Currently, the company is conducting phase I studies for its two product candidates, ZIO-101 and ZIO-201. Further information is available at <http://www.ziopharm.com/>.

Other completed transactions

German company **ALTANA Pharma** has acquired the prescription dermatology business from **GlaxoSmithKline Consumer Healthcare**. ALTANA's PharmaDerm division will manufacture and market the acquired products, which include: the synthetic corticosteroid Aclovate® (alclometasone dipropionate); the anti-inflammatories Cutivate® (fluticasone propionate) and Temovate® (clobetasol propionate); the antibiotic Emgel® (erythromycin); and the antifungal Oxistat® (oxiconazole nitrate). The transaction is a significant step towards

ATLANA's goal of becoming the leading pharmaceutical company specializing in dermatology. PharmaDerm is headquartered in Atlanta, GA, and has a website at <http://www.pharmaderm.com/>.

Japanese company **Daiichi Pharmaceutical** has acquired Daiichi Suntory Pharma as a wholly owned subsidiary. Daiichi Pharmaceutical agreed to purchase **Suntory's** 34% stake in the joint venture for ¥20 billion as of 27 September. Accordingly, Daiichi Suntory will change its name to Daiichi Asbio Pharma.

In addition, **Sankyo** and Daiichi Pharmaceutical have established, by joint stock transfer, the joint holding company Daiichi Sankyo under which both companies will become wholly owned subsidiaries. Daiichi and Sankyo have websites at <http://www.daiichipharm.co.jp/english/> and <http://www.sankyo.co.jp/english/>.

Belgian company **Innogenetics** has sold its Spanish affiliate IDT, except the portion relating to Innogenetics' own-labeled products, to **Inverness Medical Innovations** of Waltham, MA, for approximately €15.5 million (\$US11.8 million) in cash. IDT distributes about €8 million worth of non-Innogenetics products annually and more than €3 million of sales of its own-labeled diagnostic tests on the Spanish market. The Innogenetics products will be sold by Innogenetics' new Spanish subsidiary Innogenetics Diagnostics Iberia. Innogenetics has a website at <http://www.innogenetics.com/>.

Name changes

Hybridon of Cambridge, MA, has changed its name to **Idera Pharmaceuticals** to reflect the progress the company has made in the development of targeted immune therapies based on Toll-like receptors (TLRs). The company's new website is located at <http://www.iderapharma.com/>.

Nephros Therapeutics of Lincoln, RI, has changed its name to **RenaMed Biologics**. RenaMed is a clinical-stage company focused on the development of Bio-Replacement Therapies™ for acute renal failure (ARF) and other life-threatening diseases. Renal Bio-Replacement Therapy for ARF is intended to replace the critical biologic functions of the kidney; the technology uses physiologically active human renal epithelial cells, administered *ex vivo* in a hollow fiber cartridge. Renal Bio-Replacement Therapy is designed to work in conjunction with existing filtration systems to provide more comprehensive kidney function support. RenaMed's program has been granted fast track designation by the US FDA and, if approved, will be the first major development in ARF treatment in over a decade. The company has a website at <http://www.renamedbiologics.com/>.

Structural GenomiX of San Diego, CA, has changed its corporate name to **SGX Pharmaceuticals**. The biotechnology company is focused on the discovery of innovative cancer using its proprietary fragment-based drug-discovery platform Fragments of Active Structures (FAST™). SGX's new website can be found at <http://www.sgxpharma.com/>.

ViroLogic of South San Francisco, CA, has changed its name to **Monogram Biosciences**. The change reflects the company's broader technology base and capabilities in the field of molecular diagnostics for cancer, derived from its merger with **ACLARA Biosciences** in December 2004. Monogram's technology is also being used by numerous biopharmaceutical companies to develop new and improved antiviral therapeutics and vaccines as well as targeted cancer therapeutics. Further information can be found at <http://www.monogrambio.com/>.