

AstraZeneca to pay about \$260M for Omthera Pharma (Update 2)

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British drugmaker AstraZeneca PLC plans to spend about \$260 million on Omthera Pharmaceuticals Inc., a specialty drug developer with only 14 employees but has a potential treatment for patients who have high levels of fats called triglycerides in their blood.

AstraZeneca said Tuesday it will pay \$12.70 for each share of Omthera, which priced an initial public offering last month at \$8 per share. The offered price represents an 87 percent premium to its closing price Friday of \$6.77.

The price of Omthera shares nearly doubled Tuesday, climbing \$6.74 to close at \$13.51.

AstraZeneca said the deal totals about \$323 million when counting Omthera's cash balances.

Omthera shareholders also could receive additional payments totaling about \$120 million if the potential treatment called Epanova reaches development milestones. Those contingent value rights add up to about \$4.70 per share

Omthera, based in Princeton, New Jersey, has completed late-stage testing on Epanova, a fish oil-based treatment. It plans to submit the drug, which is a coated, soft gelatin capsule, to U.S. regulators for approval by the middle of this year.

Its shares closed at \$7.43 on April 11, the stock's first day of trading, and had remained below the IPO price until Tuesday morning.

Omthera also said Tuesday its first quarter loss narrowed to \$7.3 million, or \$3.08 per share, in the quarter that ended March 31. That counts preferred dividend payments and compares to a loss of about \$10.1 million, or \$6.18 per share, in last year's quarter. The company said its research and development expenses fell to \$357,000 compared to about \$8 million due to the completion of late-stage research on Epanova.

The drug developer listed no revenue in a brief statement on the quarter.

AstraZeneca said last month that its first-quarter profit fell 31 percent as generic competition for bipolar medication Seroquel IR, high blood pressure drug Atacand and cholesterol drug Crestor drove revenue down.

U.S.-traded shares of AstraZeneca rose 84 cents, or 1.6 percent, to close at \$53.01 Tuesday.

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