

Valeant pitches potential eye drug, research focus

September 25 2014, by Tom Murphy

Valeant Pharmaceuticals is drawing attention to a potential glaucoma treatment and its focus on product development, as the Canadian drugmaker continues to build its case to investors for a takeover of Botox-maker Allergan.

Irvine, California-based Allergan Inc. has rejected several acquisition bids from Valeant, the latest amounting to about \$53 billion. Its executives have said Valeant would slash research and development funding too much if it took over. They've also said the offers undervalue their company.

But Valeant Chairman and CEO Michael Pearson said Thursday that his company is committed to health care innovation and funding important research.

"We are pursuing development plans and programs for other priority markets around the world," Pearson said in a statement released Thursday about the eye treatment.

Valeant said the potential glaucoma drug, Vesneo, lowered eye pressure in late-stage research on patients with glaucoma or ocular hypertension. Its subsidiary, Bausch + Lomb, expects to seek Food and Drug Administration approval for the drug by in middle of next year. Bausch + Lomb licensed the [drug](#) from the French company Nicox S.A.

Valeant also said Thursday that Vesneo could reach peak sales of about

\$500 million in the United States and \$1 billion globally.

Forecasts like that are rarely made by drugmakers for products that have yet to be approved.

Valeant Pharmaceuticals International Inc. completed its \$8.7 billion acquisition of contact lens-maker Bausch + Lomb last year. It has accused Allergan of making misleading statements about that subsidiary's performance. On Wednesday, Valeant said it expects 10 percent organic growth from Bausch + Lomb in the third quarter. That doesn't count gains through acquisitions.

Valeant's shares jumped about 7 percent Wednesday after it also said it expects overall revenue in the third quarter to top forecasts.

Allergan, which also makes the dry eye treatment Restasis, has agreed to hold a Dec. 18 meeting at which its shareholders will be given the opportunity to vote out most of its directors. That could give Valeant and activist investor Bill Ackman's Pershing Square Capital Management LP, which has built a large stake in Allergan, a chance at a takeover.

Beyond control of the board, there also will be a vote on whether Irvine, California-based Allergan should even talk to Valeant and Pershing Square.

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