

Bristol-Myers could spend \$2.2B in deal with Dutch biotech (Update)

April 6 2015, by Marley Jay

Bristol-Myers Squibb, one of the world's largest drugmakers, will team up with a Dutch biotechnology company whose first approved drug could cost more than \$1 million.

Bristol-Myers Squibb said Monday that it will work with uniQure to develop gene therapies for cardiovascular diseases, starting with a potential treatment for congestive heart failure that is intended to restore the heart's ability to synthesize a protein called S100A1. The deal could be worth more than \$2.2 billion. Bristol-Myers Squibb will also take a minority stake in the company.

The New York company could pay uniQure \$254 million if the congestive heart failure drug is successfully developed and approved for sale, and it could pay up to \$217 million for each additional drug. UniQure will also get payments based on sales targets and royalties on any approved drugs. The companies will choose a total of 10 therapeutic targets.

Shares of uniQure NV climbed \$10.79, or 47.2 percent, to \$33.65 in afternoon trading. The stock went public in early 2014 and reached an all-time high of \$35.50 Monday.

Drugs that treat extremely rare diseases can fetch prices in the hundreds of thousands of dollars per year, but Glybera, uniQure's only approved drug, is something of a milestone. A single course of treatment, which consists of dozens of small injections, is designed to fix the genetic flaws

that cause a rare disease called familial lipoprotein lipase deficiency, or LPLD. In clinical testing, its benefits lasted for years.

European Union regulators cleared Glybera in 2012, and the first patients may be treated in the next few months. Italian drugmaker Chiesi will market the drug in Europe, and uniQure says its retail price could top \$1 million per patient. At current exchange rates, a single vial of the drug would retail for about \$59,000 and a typical patient could need more than 20 vials, depending on his or her weight. Chiesi is negotiating with European Union regulators about the cost of Glybera, and the official price will include some discounts.

UniQure hopes to file for U.S. approval of the drug in 2018. It will get royalties on sales of Glybera in Europe.

Bristol-Myers will take a 4.9 percent stake in uniQure for about \$32 million, and it will buy another 5 percent stake by the end of the year, paying a 10 percent premium for those shares. It will also get warrants that would allow it to buy an additional 10 percent of the company.

Bristol-Myers Squibb Co. shares rose 15 cents to \$63.38. The company reported almost \$15.9 billion in revenue in 2014, and its best-selling drugs include the arthritis medicine Orencia and schizophrenia drug Abilify.

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