**Allergan to Acquire Naurex**

**July 26-28, 2015**

# Coverage:

* [Forbes](#_Forbes)
* [Wall Street Journal](#_Wall_Street_Journal_1)
* [Wall Street Journal Pharmalot Blog](#_Wall_Street_Journal)
* [Wall Street Journal](#_Wall_Street_Journal_2)
* [The New York Times](#_The_New_York)
* [The New York Times](#_The_New_York_1)
* [CNBC/Reuters](#_CNBC/Reuters)
* [Associated Press](#_Associated_Press_1)
* [Bloomberg Business](#_Bloomberg_Business)
* [Bloomberg Business](#_Bloomberg_Business_1)
* [Bloomberg Business](#_Bloomberg_Business_2)
* [Financial Times](#_Financial_Times)
* [Dow Jones VentureWire](#_Dow_Jones_VentureWire_1)
* [BioWorld Today](#_BioWorld_Today_2)
* [BioCentury](#_BioCentury)
* [FierceBiotech](#_FierceBiotech_2)
* [FierceBiotech](#_FierceBiotech_3)
* [SCRIP Intelligence](#_SCRIP_Intelligence_1)
* The Scientist
* [Fortune](#_Fortune)
* [Genetic Engineering & Biotechnology News](#_Genetic_Engineering_&)
* [MedCity News](#_MedCity_News_1)
* [Chicago Tribune](#_Chicago_Tribune)
* [Chicago Tribune Blue Sky Innovation](#_Chicago_Tribune_Blue)
* Chicago Inno
* [McCormick News](#_McCormick_News)
* [Crain’s Chicago Business](#_Crain’s_Chicago_Business)
* [Evanston Now](#_Evanston_Now)
* [Regal Tribune](#_Regal_Tribune)
* [PharmaTimes](#_PharmaTimes)
* [Pharmaceutical Business Review](#_Pharmaceutical_Business_Review)
* [The Pharma Letter](#_The_Pharma_Letter)
* [FirstWord Pharma](#_FirstWord_Pharma)
* [Techie News](#_Techie_News)
* [theflyonthewall.com](#_theflyonthewall.com)
* [PE Hub](#_PE_Hub)
* [SmartBrief](#_SmartBrief)
* [DIA Daily](#_DIA_Daily)
* NeuroGram+
* [Notable Tweets](#_Notable_Tweets_1)

# Forbes

**Allergan To Buy Antidepressant Maker For $560 Million With Hopes Of Preventing Suicides**

By Matthew Herper

July 26, 2015



Allergan AGN -2.14%,the drug giant that is famed for Botox but also makes antibiotics and an Alzheimer’s treatment, will spend $560 million to purchase Naurex, an Evanston, Ill.-based developer of antidepressants that can work in hours, compared to weeks for existing depression pills. The drug giant says it sees opportunity in a depression drug that works in a new way, and hopes Naurex’s experimental medicines might someday be shown to prevent suicidal people from killing themselves.

“The bottom line is it’s an incredibly exciting opportunity to change the paradigm in mood disorders particularly in depression and perhaps suicidality,” says Brent Saunders, Allergan’s chief executive. “Depression remains one of the largest unmet areas of medical need. When you think about existing therapies, they have modest effects with lots of side effects.”

Allergan will pay Naurex’s owners additional undisclosed amounts if R&D and regulatory milestones are reached.

The chance of proving a reduction in suicides rests on the idea that the two drugs Naurex has in the later stages of clinical trials appear to help patients who have not responded to existing antidepressants very quickly. The finding will need to be confirmed in larger trials, and the studies that could prove a suicide reduction benefit are barely in the design stage. Allergan is not the only big company working on a fast-acting antidepressant. Johnson & Johnson JNJ -1.05% is developing an inhaled version of the anesthetic ketamine that might be used in much the same way. And the potential of a drug to prevent suicide is what has outside researchers excited about these medicines. “These drugs have much greater potential as anti-suicidal treatments than they do as antidepressants,” says David V. Sheehan, a professor emeritus at the University of South Florida College of Medicine.

Psychiatry, an area that most big drug companies had abandoned, is undergoing a small renaissance. Last year, the amount of money put into neuroscience-based companies tripled to $4.6 billion, the highest level in a decade, according to NeuroPerspective, a newsletter. This year so far, $4.3 billion has already been put into such firms, not including this deal. Among the beneficiaries have been neuroscience-based companies like Sage Therapeutics and Intracellular therapies.

Discussions for the deal began late last year, when David Nicholson, chief of research and development at Allergan (then called Actavis ) reached out to explore a potential partnership with Naurex. “We need new mechanisms in depression,” says Nicholson. “There hasn’t been anything new in more than two decades.”

When Naurex first started looking to change that, there was little interest. In 2004, an experiment with ketamine showed it helped depression in 12 of 17 patients who did not respond to other therapies. Naurex chief executive Norbert Riedel, who had been chief scientific officer of Baxter International BAX -0.87%, was fascinated. But what if a drug could be found that lacked ketamine’s side effects of dissociation and hallucinations? He discovered that a Northwestern scientist, Joseph Moskal, had been working for years on medicines that affected the same receptor as ketamine – N-methyl-D-aspartate, or NMDA.

Riedel recruited Moskal to be Naurex’s chief scientific officer, founding the company in 2008. At first it was slow going. For three years the company subsisted on grants and seed funding. Psychiatry drugs seemed to be failing more and more often, and neither large companies nor venture capitalists seemed to want to get into the field. But in 2011, Naurex raised $18 million from investors including Adams Street Partners, Genesys and Lundbeck. The next year it raised another $38 million, and then extended that round with another $25 million. Last year, it was able to raise $80 million, bringing its total take to $163 million.

The money came because of results in clinical trials. The first drug that Moskal invented had to be given by an IV. In January, I wrote about Cindy Kelly, a 48-year-old mother of two who had participated in a clinical trial of Naurex’s intravenuous antidepressant. She hadn’t responded to existing drugs. “Within 15 minutes my symptoms were gone, and it was like magic,” she said then. The effect wore off a week later, and she fought to get into a second study that would allow her to take the medicine again. She did, and, again, it seemed to make her depression go away. That drug, GLYX-13, is now ready to start late-stage trials, and the need to fund those studies is one of the factors that led Naurex to sell.

But GLYX-13′s future was limited because patients had to be hooked up to an IV to get it. The next challenge was to create a pill. Working with a Naurex chemist named Amin Khan, Moskal was able to create such a medicine, called NRX-1074. Data on the pill were released in January showing that it reduced ratings on the Hamilton Depression Scale, a survey used to measure the severity of a patient’s illness, by 7 points more than placebo. A press release quoted the study’s lead investigator, Susan McElroy of the University of Cincinnati College of Medicine, as saying the reductions were “among the most substantial I have observed in antidepressant clinical development.”

That also came as Allergan was already courting Naurex, trying to convince its management to do a deal. Part of what sweetened it: Riedel and Moskal will be able to quickly get back to discovering more medicines as an independent company. Naurex’s research assets will be spun out, and the still unnamed new firm will be run by Riedel. The new company and Allergan will collaborate, but Allergan doesn’t actually want to be in the business of inventing drugs. “It fits with our model of not doing research in-house,” Nicholson says. (For more on Allergan’s philosophy, see my February cover story on Saunders.)

Allergan will pay $460 million when the deal closes, which should happen sometime this year. It will pay another $100 million by January of 2016, and will pay further undisclosed amounts when the drug hits R&D and regulatory milestones.

[Link](http://www.forbes.com/sites/matthewherper/2015/07/26/allergan-naurex-antidepressant/)

[Top](#_top)

# Wall Street Journal

**Allergan to Acquire Naurex for $560 Million Cash**

**Privately held company develops treatments for depression**

By GEORGE STAHL

Dow Jones Newswire

July 26, 2015

Allergan PLC, amid reports that it is looking to separate its hefty generic drug business in a different $45 billion deal, said Sunday that it has agreed to buy for $560 million cash upfront a privately held developer of treatments for depression.

Allergan’s deal for Naurex Inc., based in Illinois, is the latest for the Ireland-based company, aided in part by lower interest taxes. Allergan is among the companies with an overseas tax address that use their lower tax rate to purchase companies that would have otherwise paid higher U.S. corporate taxes.

The deal for Naurex comes as Allergan is in talks to combine its big generic-drug business with Israeli drug maker Teva Pharmaceutical Industries Ltd., as The Wall Street Journal reported Sunday.

The Teva deal, valued at about $45 billion, could be announced as early as Monday, according to people familiar with the matter. The Allergan unit would be spun off and combined with Teva, already the world’s biggest seller of generic medicines with a market value of $60 billion, one of the people said.

For Allergan, the Teva deal allows it to focus more on lucrative brand-name drugs. Actavis was renamed Allergan earlier this year, after doing $100 billion in deals last year that gave it brand-name drugs, notably wrinkle fighter Botox.

But the deal had swollen Allergan’s debt to about $44.3 billion as of March 31. A deal with Teva also would help Allergan pay down its debt and, combined with the $8 billion-a-year it generates in cash, add higher-profit prescription drugs.

On Sunday, in announcing the Naurex news, Allergan reiterated that it remains committed to reducing its debt levels to 3.5 times adjusted earnings before interest, taxes, depreciation and amortization by the end of the first quarter of 2016, down from 4.1 times earlier this year.

Naurex has a once-weekly intravenous treatment for depression that showed efficacy in mid-stage studies and is being prepared for late-stage trials, which are usually needed before regulatory approval. The company also has an oral depression treatment in early-stage testing.

Both drugs target the brain’s N-methyl-D-aspartate receptors, which are involved in learning and memory. These receptors interact with the neurotransmitter glutamate, the levels of which seem to be out of balance in depression.

According to Allergan, both therapies have been well-tolerated in studies to date, with no serious drug-related adverse events or any of the side effects typically seen with NMDA antagonists, such as hallucinations and other “dissociative” feelings that have led some of these treatments to be abused as a street drug.

Allergan said the deal’s value could rise because of future milestone payments based on potential research or sales success. The company expects the Naurex deal to close by the end of 2015.

[Link](http://www.wsj.com/articles/allergan-to-acquire-naurex-for-560-million-cash-1437918753)

[Top](#_top)

# Wall Street Journal Pharmalot Blog

**Pharmalot.. Pharmalittle.. Good Morning: We’re Catching up on Teva, Allergan and Lots More!!**

By Ed Silverman

July 27, 2015

Allergan agreed to spend $560 million to purchase Naurex, which is developing injectable and oral antidepressants that can work in hours, compared to weeks for existing depression pills, Forbes tells us. The drug maker says it sees opportunity in a depression drug that works in a new way, and hopes the experimental medicines might someday be shown to prevent suicidal people from killing themselves. The chance of proving a reduction in suicides rests on the idea that the two drugs appear to help patients who have not responded to existing antidepressants very quickly.

[Link](http://blogs.wsj.com/pharmalot/2015/07/27/pharmalot-pharmalittle-good-morning-were-catching-up-on-teva-allergan-and-lots-more/)

[Top](#_top)

# Wall Street Journal

**Teva to Buy Allergan Generics for $40.5 Billion**

By Jonathan Rockoff, Dana Mattioli and Liz Hoffman

July 27, 2015

Teva Pharmaceutical Industries Ltd. on Monday agreed to buy Allergan PLC’s generics unit for $40.5 billion in cash and stock, in a deal that will vault the Israeli company into the top ranks of global drug makers.

Teva said Allergan would receive $33.75 billion in cash and Teva shares valued at $6.75 billion, giving it a 10% stake in Teva.

The deal, the latest in a wave of consolidation in the drug industry in recent years, combines Teva, the world’s largest generic-drug company by sales, with the third-largest competitor in the market.

The acquisition will give Teva increased scale in the hotly competitive generic-drug market, and an opportunity to pursue further cost reductions that could help it cope with the end of a wave of big patent expirations.

“What we are doing here will enable Teva to be one of the winners of the ever-changing pharmaceutical industry,” Teva Chief Executive Erez Vigodman said in an interview. He expects Teva will be able to divest the products needed to satisfy any government concerns about antitrust.

Teva shares rose 11% in morning trading.

Mr. Vigodman added that Teva would drop its pursuit of rival Mylan NV in wake of its agreement to buy Allergan’s generic-drugs business. “We believe we have an even greater opportunity to create value for shareholders from” the Allergan transaction, he said.

Teva said it plans to review its options with respect to the approximately 4.6% of Mylan stock that it owns.

Mylan, in a separate statement, congratulated Teva, said its focus remains unchanged and reaffirmed its commitment to acquiring rival Perrigo Co. So far, Perrigo has rebuffed Mylan’s takeover attempts.

Mylan shares fell 14% Monday morning, while Perrigo gained 4.7%.

For Allergan, the Teva deal provides it with cash to pay down debt and allows the company to focus more on lucrative brand-name drugs. Actavis was renamed Allergan earlier this year, after doing $100 billion in deals last year that gave it brand-name drugs, notably wrinkle fighter Botox.

Those deals had swollen Allergan’s debt levels, and the company has said it is committed to reducing its debt levels.

Allergan shares added 7%.

Teva said it expected the acquisition of Allergan Generics to contribute $2.7 billion in earnings before interest, taxes, depreciation and amortization, or Ebitda, in 2016, excluding synergies. It expects to achieve cost synergies and tax savings of approximately $1.4 billion annually, largely achievable by the third anniversary of the closing of the transaction.

Allergan’s 1,000 low-price products include branded generic drugs, over-the-counter medicines and generic versions of well-known pharmaceuticals such as the OxyContin pain treatment and Concerta, which treats attention-deficit-hyperactivity-disorder.

The deal is expected to attract antitrust scrutiny from regulators. Teva may need to sell off products with about $500 million in yearly sales to win approval, Evercore ISI analyst Umer Raffat estimates.

Teva said the transaction was unanimously approved by the boards of both companies and is expected to close in the first quarter of 2016.

Midsize companies such as Teva have largely driven the breakneck pace of consolidation in the drug industry in recent years—part of a broader boom in mergers and acquisitions—as they take advantage of cheap debt and in some cases low tax rates secured by relocating overseas, while drawing on the approval of investors who have driven their shares higher. Meanwhile, bigger, more-established rivals have largely been on the sidelines of major deal making.

Last year Teva, which had a market value of $60 billion before The Wall Street Journal reported Teva’s talks with Allergan on Saturday, had $9.1 billion in generic-drug sales, according to EvaluatePharma, about 12% of the world market. The company said it already accounts for one in six drug prescriptions in the U.S. But much of its business is in no-name generic medicines sold at lower prices. Nearly half of Teva’s $20.3 billion in sales last year were from the off-patent generic copies of drugs.

By adding Allergan’s business, which reported $6.6 billion in sales last year, Teva would have revenue significantly greater than that of better-known, branded-drug companies such as Cialis maker Eli Lilly & Co., which reported $19.6 billion in sales last year.

The deal could give the combined company a market value exceeding that of Lilly, which stood at $94 billion on Friday.

Teva also said Monday that it expected to report better-than-expected sales and earnings for the second quarter ended in June. The company projected earnings excluding certain items of $1.43 a share on revenue of $4.97 billion, down 2% from a year ago but up 6% excluding the impact from currency changes. Analysts, on average, were expecting earnings of $1.31 a share on sales of $4.92 billion, according to FactSet.

For 2015, Teva raised its per-share earnings forecast to a range of $5.15 to $5.40, from its previous range of $5.05 to $5.35. Analysts were expecting per-share earnings of $5.20, according to FactSet.

Dublin-based Allergan became one of the top 10 drug companies by sales this year when Actavis bought the maker of wrinkle treatment Botox for nearly $70 billion, and renamed itself. The Teva deal allows Allergan to sharpen its focus on its branded pharmaceutical business.

“We will have the potential to add scale in existing therapeutic areas, expand into new therapeutic areas and geographies and evaluate strategic transformational deals as we continue to build on our position as the most dynamic branded growth pharma company,” Allergan CEO Brent Saunders said.

In a sign of its continuing ambition, Allergan announced a deal on Sunday, saying it will pay $560 million upfront for Naurex Inc. and its antidepressant-drug candidate.

[Link](http://www.wsj.com/articles/teva-to-buy-allergan-generics-for-40-5-billion-1437988044)

[Top](#_top)

# The New York Times

**Teva Pharmaceuticals to Buy Allergan’s Generics Business**

By Chad Bray

July 27, 2015

LONDON — The Israeli drug maker Teva Pharmaceuticals said on Monday that it had agreed to acquire the generic drug division of Allergan for $40.5 billion in cash and stock.

The transaction, if completed, would be the latest in what has been a frenzied period of deal-making in the pharmaceutical sector as drug makers look to strengthen their mix of products through acquisitions.

Allergan, based in Dublin, has been a frequent buyer in recent years. On Sunday, it announced a separate deal to buy Naurex, a developer of drugs for depression and other central nervous system disorders, for $560 million.

The Allergan generics transaction would create a company with estimated, pro forma revenue of $26 billion in 2016, including about $11 billion in sales outside the United States, Teva said.

“Our respective portfolios of generic medicines and applications are highly complementary, providing Teva with high-quality growth and earnings visibility, and the scale and resources to expand upon our specialty capabilities,” Erez Vigodman, the Teva president and chief executive, said in a news release.

The deal signals the end of Teva’s pursuit of Mylan, a rival based in the Netherlands.

Mylan had repeatedly rebuffed takeover offers from Teva and is pursuing another drug maker, Perrigo, which has resisted several offers.

“We continue to believe that a combination of Teva and Mylan would have made sense for our companies, our respective stockholders and the health care industry as a whole,” Mr. Vigodman said in a separate news release.

However, he said, “We believe we have an even greater opportunity to create compelling, sustainable value for Teva’s stockholders through our transaction with Allergan — and we acted quickly to seize the opportunity.”

The Allergan deal cements Teva’s position as the world’s biggest seller of off-brand medicines. Last year, it recorded revenue of $20.3 billion.

Allergan, which has its United States headquarters in Parsippany, N.J., provides treatments in dermatology, aesthetics, women’s health, eye care and cardiovascular disease. The company reported revenue of $13.1 billion in 2014.

In November, Allergan, which makes Botox, agreed to be acquired for $66 billion by Actavis, a maker of generic drugs. The deal was completed in March.

Large pharmaceutical makers have engaged in a wide variety of deals in recent years to increase their scale, giving them greater negotiating power with health insurers and medical providers.

Pharmaceutical companies have also pursued acquisitions in order to gain access to new drugs in late-stage development, providing new treatments without having to engage in the lengthy and often expensive research and development process.

As part of the agreement with Teva, Allergan said the Israeli drug maker would acquire the Actavis global generics business, including United States and international generics commercial businesses. The sale would also include Allergan’s third-party supplier Medis; its global generic manufacturing, and generic research and development operations; and its international over-the-counter commercial business, excluding its eye care products.

After the deal, Allergan would retain its global branded pharmaceutical and medical aesthetic businesses, as well as its biosimilars development programs and its Anda drug distribution business.

“This transaction will accelerate Allergan’s evolution into a branded growth pharma leader, enable a sharpened focus on expanding and enhancing our global branded pharmaceutical business and strengthen our financial position to build on our proven track-record of value creation led by effective capital deployment,” Brent Saunders, the Allergan chief executive and president, said in a news release.

Allergan said it expected to post pro forma sales of about $15.5 billion in 2015. It also said that, after the deal, it would focus on seven therapeutic areas: eye care, gastroenterology, aesthetics, women’s health, central nervous system, urology and anti-infectives.

Allergan said it expected to use a portion of the sale proceeds to pay down debt.

News of a potential deal between Allergan and Teva emerged this weekend. The transaction has been unanimously approved by the boards of both companies and is expected to close in the first quarter. It is subject to regulatory approval.

Allergan would receive $33.75 billion in cash and shares worth about $6.75 billion, representing an ownership stake of under 10 percent in Teva.

After the Allergan transaction, Teva said it expected to achieve about $1.4 billion in annual cost savings by the third year. The deal would be financed through a combination of debt, new equity and cash on hand.

Barclays and Greenhill & Company and the law firms Sullivan & Cromwell and Tulchinsky Stern Marciano Cohen Levitski & Company advised Teva, while JPMorgan Chase and the law firm Latham & Watkins advised Allergan.

Teva also reported its preliminary results for the second quarter on Monday, saying its operating income increased 16 percent, to $1.6 billion, compared with the quarter a year ago. The drug maker said revenue declined 2 percent, to about $4.97 billion. Teva is expected to release its full results for the quarter on Thursday.

[Link](http://www.nytimes.com/2015/07/28/business/dealbook/teva-pharmaceuticals-to-buy-allergans-generics-business.html?_r=0)

[Top](#_top)

# The New York Times

**Morning Agenda: Teva to Buy Allergan Generic Drug Unit**

By AMIE TSANG

July 27, 2015

TEVA TO BUY ALLERGAN GENERIC DRUG UNIT | The Israeli drug maker Teva has agreed to buyAllergan’s generic drug division for $40.5 billion in cash and stock, Chad Bray reports in DealBook. The transaction would create a company with estimated, pro forma revenue of $26 billion in 2016, including about $11 billion in sales outside the United States, Teva said. Under the terms of the deal, Allerganwould receive $33.75 billion in cash and shares worth about $6.75 billion, representing an ownership stake of under 10 percent in Teva.

The deal could bolster Teva’s market position as the world’s biggest seller of generic medicines, Michael J. de la Merced notes in DealBook. The acquisition may also end Teva’s months long pursuit of Mylan, a rival that has rebuffed takeover offers and is trying to buy another drug maker. The Wall Street Journal, which had reported the deal, notes that Teva is under pressure because its top selling product, a brand-name multiple sclerosis treatment called Copaxone, is facing lower-priced competition in the United States.

Allergan is a powerhouse with a market value of more than $120 billion, made up of Actavis, a generic drug maker; and Allergan, best known as the maker of Botox. The old Allergan entity had been fending off an unwanted takeover bid by Valeant Pharmaceuticals and the hedge fund magnate William A. Ackman.Actavis trumped Valeant’s $53 billion offer by paying $66 billion and then took Allergan’s name.

The Actavis-Allergan deal was aimed at diversifying beyond generic drugs, a business that is increasingly saturated with products with lower profit margins. Allergan is now looking at parting ways with this major business line and announced on Sunday that it had agreed to buy a developer of drugs for depression and other central nervous system disorders.

[Top](#_top)

# CNBC/Reuters

**Allergan pays $560M for drug maker Naurex as deal talk swirls**

July 26, 2015

Allergan is considering a breakup of the company into two businesses, a person familiar with the matter told Reuters on Friday, potentially adding the botox-maker to a list of large drugmakers realigning themselves to focus on specific areas of their businesses.

As speculation about the company mounted, Allergan announced on Sunday it would buy Illinois-based Naurex, a privately held developer of treatments for depression, paying $560 million up front.

"The acquisition of Naurex is a great fit for Allergan and a compelling and exciting investment," Brent Saunders, CEO of Allergan, said in a statement. "We expect Naurex will enhance Allergan's mental health portfolio and build on our strategy to lead in this important therapeutic area."

Allergan is considering keeping its branded drugs business but spinning off or selling parts or all of its generics business, according to the person who asked not to be identified because the deliberations are confidential.

Who else is Allergan bringing to the dance?

However, Teva Pharmaceutical Industries Ltd is in advanced talks to buy Allergan generic drug business following a thus far unsuccessful effort to acquire peer Mylan NV, according to a person familiar with the matter.

Jerusalem-based Teva, which has offered to buy Mylan for $40 billion, is now close to an agreement to acquire Dublin-based Allergan's generic drugs unit for between $40 billion and $45 billion, the person said on Saturday.

Just eight months ago the Botox-maker formed a multibillion dollar pharmaceutical company through a merger with Actavis.

Large drug makers are trying to realign their business to focus on a small number of leading businesses while smaller specialty and generic producers are seeking larger scale.

Last year, Abbott Laboratories sold its specialty and branded generics business in developed markets to Mylan for $5.3 billion while Bayer acquired Merck's consumer care business for $14.2 billion.

GlaxoSmithKline and Novartis said they had completed a series of asset swaps worth more than $20 billion that will reshape both companies.

Novartis also sold its animal health unit to Eli Lilly for $5.4 billion in 2014.

Allergan's shares were up 4.7 percent in extended trading after closing at $308.21 on Friday.

Allergan's branded drugs business makes products such as Botox and Alzheimer's drug Namenda, while its generics business makes up about a third of the company's total revenue.

The news was first reported by Bloomberg, which said that the discussions were still taking place and there was no certainty that a spin-off or breakup would occur.

Representatives for Allergan could not be reached immediately for comment.

Actavis outbid Canadian drugmaker Valeant Pharmaceuticals International and activist investor William Ackman in November to form a $121 billion pharmaceutical company with Allergan.

--CNBC.com contributed to this article.

[Link](http://www.cnbc.com/2015/07/25/allergan-exploring-split-into-2-businesses-reports.html)

[Top](#_top)

# Associated Press

**Allergan to acquire Naurex as Teva talks continue**

July 26, 2015

Allergan PLC, the Dublin-based pharmaceutical giant, announced Sunday it has agreed to buy **Naurex**, a developer of drugs for depression and other central nervous system disorders, for $560 million.

**Naurex**, based in Evanston, Illinois, is privately held. **Naurex**'s drugs are being tested in clinical trials but are not yet approved for sale.

The announcement comes among reports that Allergan is in talks to sell its enormous generic drug division to Israel-based Teva Pharmaceutical Industries Ltd. The deal is valued at about $45 billion and could be announced as soon as Monday, according to the Wall Street Journal, which first reported the talks Saturday.

Both the **Naurex** and the Teva deals would move Allergan out of the highly-competitive generic drug business and allow it to focus on developing new drugs.

[Link](http://abcnews.go.com/Business/wireStory/allergan-acquire-naurex-teva-talks-continue-32698206)

[Top](#_top)

# Bloomberg Business

**Merger Mania: Teva May Snap Up Allergan’s Generics Arm**

By Ed Hammond and Chris Martin

July 26, 2015

Israeli drugmaker Teva Pharmaceuticals Industries Ltd. is nearing an agreement to buy the generic-drug business of Allergan Plc for about $40.5 billion, according to people familiar with the matter.

A purchase, which will mostly be in cash, could be announced as soon as Monday, said the people, who asked not to be identified because the information is private. Teva is also planning to announce it’s withdrawing its offer for another generics maker, Mylan NV, as early as Monday, the people said. Talks could still fall apart.

The acquisition would extend a wave of mergers that has swept over the health-care industry. Announced pharmaceutical deals so far this year have topped $180 billion, according to data compiled by Bloomberg. That’s on pace to beat last year’s record of more than $200 billion. A deal with Allergan also would let Teva drop its protracted battle to take over Mylan.

The timing may be right for Allergan to consider a sale of its generics business, said Elizabeth Krutoholow, an analyst at Bloomberg Intelligence in New York.

“They may be able to command a significant premium given the recent interest in the sector,” Krutoholow said in an e-mail on Saturday before the talks were disclosed.

With profit margins on branded products of as much as 80 percent, compared with about 50 percent for generics, Allergan Chief Executive Officer Brent Saunders may favor focusing growth on premium drugs. Among other things the company makes the blockbuster wrinkle treatment Botox.

“With Saunders in charge, the company may lean more” to branded drugs “since that is his area of expertise,” Krutoholow said. “It’s a more attractive growth area for the company.”

**Merger Fever**

In that vein, Allergan said Sunday it would buy the biotech company Naurex Inc., which is developing a fast-acting antidepressant. The $560 million all-cash transaction is expected to close by year-end.

“We expect Naurex will enhance Allergan’s mental health portfolio and build on our strategy to lead in this important therapeutic area,” Saunders said in a statement.

Teva, the world’s largest maker of generic drugs, has been pursuing a deal to buy rival Mylan and solidify its role as the industry giant. Mylan has rejected Teva’s advances so far and is itself pursuing Perrigo Co., a campaign that might continue if Teva focuses instead on Allergan.

A Teva spokeswoman wasn’t immediately available to comment. Representatives for Allergan and Mylan declined to comment.

**Bitter Conflict**

Allergan, based in Dublin and with operating headquarters in Parsippany, New Jersey, is itself the product of a recent merger. Actavis Plc agreed to buy Allergan for $66 billion in November 2014, after spending months locked in bitter conflict with Valeant Pharmaceuticals International Inc., a rival drugmaker that had started a hostile takeover effort that year. The deal was completed in March.

Last month, Actavis rebranded the combined company as Allergan. The combination created a health-care giant, with projected annual sales of more than $20 billion this year. The generics business generated sales of $6.75 billion last year. Teva’s current head of generics, Siggi Olafsson, is a former Actavis executive.

[Link](http://www.bloomberg.com/news/articles/2015-07-25/teva-said-in-talks-for-allergan-generics-for-up-to-45-billion)

[Top](#_top)

# Bloomberg Business

**Teva Snaps Up Allergan’s Generics Arm, Dumping Mylan**

By Chitra Somayaji and David Wainer

July 27, 2015

Israeli drugmaker Teva Pharmaceuticals Industries Ltd. agreed to buy the generic-drug business of Allergan Plc for about $40.5 billion in cash and stock, and ended its hostile bid for Mylan NV.

Teva will pay $33.75 billion in cash and $6.75 billion worth of shares at today’s price, or about 10 percent of the enlarged company, the Petach Tikva, Israel-based company said in a statement. Teva surged as much as 12 percent as trading resumed in Tel Aviv. Mylan shares were down 12 percent in U.S. premarket trading.

The deal bolsters Teva’s position as the world’s largest maker of generic drugs, and gives it greater negotiating power with governments and private-health insurers. It also allows the drugmaker to extricate itself from an increasingly antagonistic pursuit of Mylan, which is in the midst of trying to buy Perrigo Co.

“We’re looking at a fairly similar deal to the Mylan offer but without all the uncertainties attached to a hostile situation,” said Jonathan Kreizman, an analyst at Bank of Jerusalem. “Teva and Allergan have less overlap than Teva and Mylan.”

The acquisition extends a wave of mergers that has swept over the health-care industry. Announced pharmaceutical deals so far this year have topped $180 billion, according to data compiled by Bloomberg. That’s on pace to beat last year’s record of more than $200 billion.

**Allergan Purchase**

Allergan, which makes the blockbuster wrinkle treatment Botox, said Sunday it would buy the biotech company Naurex Inc., which is developing a fast-acting antidepressant. The $560 million all-cash transaction is expected to close by year-end.

Teva expects its Allergan transaction, which both boards backed unanimously, to close in the first quarter of 2016 and boost earnings per share. Also today, the company raised its earnings per share estimate for 2015 to between $5.15 and $5.40, up from an earlier forecast of $5.05 to $5.35. Earnings per share were $1.43 in the second quarter, Teva said.

Teva had been pursuing a $40.1 billion deal to buy Mylan since April, a merger rejected by Mylan management as culturally unfit. Last week, Mylan’s independent foundation exercised an option to acquire shares that let it control half of the company in a move that rendered Teva’s attempt to win over a majority of its shareholders much more difficult. Abbott Laboratories, Mylan’s top shareholder, in June said it backed Mylan’s plan to avoid being taken over by Teva.

Bloomberg reported on July 25 that Allergan was exploring a breakup of the company, including the possible sale of its generics business.

Mylan is pursuing Dublin-based Perrigo, a campaign that may now get fresh impetus as pressure mounts to become bigger. Perrigo, which makes prescription and over-the-counter drugs, has thus far rebuffed Mylan’s $33 billion offer.

Mylan will continue its pursuit of Perrigo and expects that Mylan shareholders will vote “in the next several weeks” to support a purchase, the company said in a statement. Perrigo shares rose 2.4 percent in premarket trading as of 6:55 a.m. in New York.

Teva, which had accumulated a 4.6 percent stake in Mylan ahead of a potential legal battle, said today it will “review its options” on the holding.

Teva may have a key advantage in integrating Allergan’s generic business because its own head of generics, Siggi Olafsson, formerly led that business at Allergan. Olafsson was brought in to Teva after leaving Actavis Plc, which switched its name to Allergan after agreeing to buy the maker of Botox in November 2014 for $66 billion.

**Experience Counts**

“Teva’s head of generics knows the business well, so he should be successful in integrating it,” said John Park, co-portfolio manager at Jackson Park Capital LLC’s Oakseed Opportunity Fund, which owns Teva shares.

Actavis agreed to buy Allergan after spending months locked in bitter conflict with Valeant Pharmaceuticals International Inc., a rival drugmaker that had started a hostile takeover effort. The deal was completed in March. The generics business generated sales of $6.75 billion last year.

Teva is a “natural consolidator” in generic medicines, Allergan CEO Brent Saunders said in an interview on CNBC. The deal took three weeks to complete, from start to finish, he said.

Much as Teva had sought with the Mylan approach, Allergan’s generic division will allow it to immediately grow in size and have more negotiating power with U.S. payers, which have been consolidating in recent years. Teva said the combined entity will have pro-forma revenue of about $26 billion and achieve cost and tax savings of approximately $1.4 billion annually.

“While this is a potential rapid pivot from the pursuit of Mylan, we believe the strategic rationale is exactly the same,” said Ken Cacciatore, an analyst at Cowen & Co. in New York. “There is only one good and meaningful way to maximize the value of these large, mature generic franchises and that is to extract maximum cost synergies.”

The deal doesn’t include Allergan’s program to develop biosimilar drugs, which Louise Pearson, an analyst at Berenberg,said is “disappointing given the gap in Teva’s portfolio.” Even so, the deal has “obvious benefits” including Allergan’s generic injectables and an improved geographic reach, including in India, she said.

Allergan’s Saunders said the deal terms were “compelling” and that the company can now focus on higher-margin branded medicines and the aesthetics business that includes Botox.

Barclays and Greenhill & Co. are serving as financial advisers to Teva. Sullivan & Cromwell LLP and Tulchinsky Stern Marciano Cohen Levitski & Co are its legal counsel.

Teva said most of the cost and tax savings should take place by the third anniversary of the deal’s close. The savings will come from efficiencies in operations, manufacturing, and sales and marketing, it said.

Teva will hold a conference call at 8 a.m. New York time.

[Link](http://www.bloomberg.com/news/articles/2015-07-27/teva-snaps-up-allergan-s-generics-arm-dumping-mylan)

[Top](#_top)

# Bloomberg Business

Allergan May Turn Sights to Amgen or AbbVie With Cash From Teva

By Simeon Bennett

July 27, 2015

Allergan Plc says it’s “reloaded and ready to move” on further acquisitions after agreeing to sell its generic-drug business for $40.5 billion.

The deal with Teva Pharmaceutical Industries Ltd. “gives us a tremendous amount of flexibility to think about transformational M&A as well as continue our pattern of tuck-in acquisitions,” Allergan Chief Executive Officer Brent Saunders said on a conference call today. It’s likely that in 18 months, Allergan will use the cash it’s getting from the Teva deal, he said.

The transaction takes this year’s total of announced pharmaceutical and biotech deals to a record $220.72 billion, surpassing last year’s $220.66 billion, according to data compiled by Bloomberg.

Allergan alone has accounted for almost $90 billion in deals over the past two years, building Saunders’s reputation as a high-stakes dealmaker. The Teva transaction lets Allergan pay off debt from its $66 billion combination with Actavis Plc, allowing it to build its brand-name medicine business with small deals or to pursue larger acquisitions such as Amgen Inc. or AbbVie Inc., said Ken Cacciatore, an analyst with Cowen & Co. in New York.

“If either transaction was pursued by Allergan, it would be well received by both sets of shareholders if the proper vision was articulated and a friendly agreement could be reached,” Cacciatore wrote in a report. Such a transaction “might be nearer than many assume,” he said.

**Naurex, Kythera**

Saunders has repeatedly said the company wanted to invest in more innovative and profitable brand-name drugs. The company said Sunday it would pay $560 million for Naurex Inc., which is developing a fast-acting anti-depressant. Last month Allergan said agreed to buy Kythera Biopharmaceuticals Inc. for about $2.1 billion to add treatments for double chins and baldness.

Allergan could be a potential buyer of business units from Pfizer Inc. or of Novartis AG’s Alcon eye-care unit, if the Swiss drugmaker decided to sell it, Andrew Finkelstein, an analyst at Susquehanna International Group in New York, wrote in a report before the deal was announced.

Shareholders would like to see Allergan buy Biogen Inc. or AbbVie or do some sort of combination with Pfizer, Evercore ISI analyst Umer Raffat said in a July 25 note.

Allergan may also find itself the hunted. Valeant Pharmaceuticals Inc., which lost out to Actavis, may be interested in acquiring Allergan’s remaining branded-drug business, Finkelstein said.

**Actavis Deal**

Actavis in March bought Allergan and took the Allergan name. The company is based in Dublin and with operating headquarters in Parsippany, New Jersey.

Press representatives at Novartis, Valeant and Pfizer declined to comment. AbbVie, Amgen and Biogen representatives didn’t immediately return calls and e-mails requesting comment.

“We have really positioned ourselves to be focused, reloaded and ready to move,” Saunders said. “Our main focus is going to be on accretive bolt-on and accretive transformational deals.”

[Link](http://www.bloomberg.com/news/articles/2015-07-27/allergan-may-turn-sights-to-amgen-or-abbvie-with-cash-from-teva)

[Top](#_top)

# Financial Times

**Allergan sells generic drugs unit to Teva for $41bn**

By David Crow

July 27, 2015

Having pulled off the biggest takeover of last year, Allergan, the owner of blockbuster wrinkle treatment Botox, is at it again.

This time it is in selling mode, divesting its generic business, which makes cheap, copycat versions of off-patent drugs, to Israel’s Teva for $40.5bn. After completing the deal, revealed on Monday morning and unanimously approved by both boards, Allergan will receive $33.75bn in cash and shares in Teva worth $6.75bn.

The sale has ended an acrimonious and complex three-way battle: Teva had been in the throes of a hostile $43bn bid for rival Dutch incorporated generics company Mylan, which in turn is seeking a hostile $33bn takeover of Perrigo of Ireland.

It is also illustrative of the frenetic pace of dealmaking in the healthcare sector, where more than $250bn of mergers and acquisitions have been struck since the start of the year, according to Thomson Reuters.

Despite undergoing something of a renaissance in drug discovery, the pharmaceuticals industry has been engaged in a frenzied round of consolidation for much of the past two years, as it tries to contend with sustained pressure for cheaper medicines from cash-strapped global healthcare systems.

The Botox maker’s decision to enter the fray at the eleventh hour has echoes of 2014, when the company, then known as Actavis, gatecrashed Valeant’s hostile pursuit of Allergan with a $70bn “white knight” bid. It ended up taking the company’s name earlier this year, shortly after completing the takeover.

For Teva, the purchase of Allergan’s generic unit brings it many of the same advantages as a Mylan deal, including scale, expertise in injectable drugs and a foothold in “biosimilars” — copycat versions of “biologic” medicines that are formed from live cell proteins.

The deal allows it to walk away from the most acrimonious takeover battle of the year, in which Mylan has waged a remarkably fierce defence, replete with poison pills and much mudslinging.

Still, investors and analysts were surprised by the deal when details began to emerge at the weekend, not least because Allergan has always made a strong case for keeping hold of its generics business, widely seen as one of the best operators in the unbranded drugs industry.

“Why sell a winner?” asks Ronny Gal, an analyst at Bernstein, noting that the generics part of Allergan is one of its two best units, the other being the aesthetics division that makes Botox and a range of other cosmetic medicines.

Yet if Allergan wants to shift away from generic drugmaking, it is unlikely to find as good an opportunity to sell. Valuations have been inflated by Teva’s pursuit of Mylan, despite significant challenges for purveyors of copycat medicines, including increased competition from emerging markets and pricing pressure.

“With generic revenue growth slowing and consolidation trends driving up multiples for generic businesses, we believe the timing is optimal for Allergan to sell,” says Jason Gerberry, an analyst at Leerink.

The divestment is yet another milestone in the constant transformation of Allergan, a company that has had three different names in as many years. In 2012, the group, then called Watson, was a run-of-the-mill producer of generic drugs with a market capitalisation of $8bn — a fraction of the $120bn it is worth today.

Since then, it has struck a succession of big-ticket deals that have seen it shift its focus to more lucrative branded drugs, which now account for roughly two-thirds of revenues and 80 per cent of gross profits.

To begin with, the architect of this shape-shifting strategy was Paul Bisaro , executive chairman. But since 2014, he has shared power with Brent Saunders , who joined as chief executive when his own company was acquired by the group.

As for Mr Saunders, the $41bn sale to Teva cements his reputation as one of the most prolific dealmakers in the pharma industry: he would have been buyer or seller in roughly $150bn of deals during his career. Allergan will also own less than 10 per cent of Teva if the deal closes.

The proceeds from the sale would have allowed Allergan to wipe out almost all of its own debts or to repurchase shares, though the company said it would use most of the cash to “accelerate the company’s growth prospects”. According to Umer Raffat, an analyst at Evercore ISI, shareholders are pushing for yet another deal.

In a straw poll of 90 investors conducted by Mr Raffat, the companies that came out top in a list of targets included Biogen, the biotech group, and AbbVie, maker of blockbuster arthritis drug Humira. However, such a purchase would cost Allergan between $70bn and $100bn, and take it deeper into the business of discovering new drugs, an area it has tended to avoid in favour of developing proven medicines.

Alternatively it could use its stronger balance sheet to buy or “roll up” a succession of attractive assets, similar to the double chin injection it purchased recently for $2.1bn. On Monday, it also announced it would spend $560m on Naurex, the maker of depression drugs.

A smaller Allergan with a strong balance sheet could also make an attractive target for a larger company, however. Mr Gal notes that the company would be a good match for Pfizer, which has been scouting for big deals since its botched takeover attempt of Britain’s AstraZeneca last year.

Some investors even say such a deal could pave the way for Mr Saunders to eventually replace Ian Read as chief executive of Pfizer.

[Link](http://www.ft.com/intl/cms/s/0/cafadac8-33f9-11e5-bdbb-35e55cbae175.html#axzz3h6PzafyM)

[Top](#_top)

# Dow Jones VentureWire

**Naurex Agrees to $560M Sale to Allergan, Will Spin Out New CNS Drug Company**

By Brian Gormley

July 27, 2015

After agreeing to sell antidepressants developer Naurex Inc. for $560 million, venture firms are spinning a new company out of Naurex to develop treatments for central nervous system diseases.

Allergan PLC said Sunday that it would buy Naurex for $560 million cash, plus research and development and sales milestones. Milestone payment amounts weren't disclosed. Allergan gains Naurex's two most-advanced drugs, an intravenous and an oral treatment for depression. An undisclosed portion of the $560 million will fund a Naurex spinout that will develop treatments for CNS disorders.

Details about the spinout, such as its name and the specific indications it will pursue, haven't been disclosed. Naurex investors will also own their proportional share of the new company, according to Naurex Chief Executive Norbert Riedel. They include Naurex's largest backer, Adams Street Partners.

Pharmaceutical companies often acquire startups to obtain specific drug programs. When the startup has assets that aren't of strategic interest to the buyer, venture firms are looking to spin those assets off into a new company instead of including them in the sale.

Another recent example occurred in February, when Bristol-Myers Squibb Co. agreed to acquire venture-backed cancer therapeutics startup Flexus Biosciences Inc. for $1.25 billion in cash and milestones. Bristol-Myers secured Flexus's lead preclinical compound, but the parties agreed to spin certain other cancer-drug assets out into a new company. Details about the new startup have yet to be released.

Other examples include Seragon Pharmaceuticals Inc., which spun off from venture-backed Aragon Pharmaceuticals Inc. after Aragon agreed to merge with Johnson & Johnson in 2013. Roche Holding Ltd acquired Seragon in August 2014 for $725 million in cash and $1 billion in milestones.

Spinout agreements aren't a fit for every biotech M&A deal. The startup has to have assets that aren't a focus for the acquirer, and those assets have to be promising enough to support a new company.

"It doesn't work all the time; it has to make sense for both parties," said Ken Widder, of LVP Life Science Ventures, Naurex's second-largest investor.

Allergan, which expects to close its acquisition of Naurex by year's end, acquired the company's fast-acting antidepressants, the intravenous drug GLYX-13 and NRX-1074, an oral medicine. Existing antidepressants take about three to six weeks to work. Naurex's most-advanced drug, GLYX-13, promises to help patients in about two hours.

Unlike most existing antidepressants, which affect serotonin and related neurotransmitter pathways in the brain, GLYX-13 works differently. It modulates NMDA receptors to enhance and improve communication between nerve cells in the brain.

The product is ready to enter final, Phase III clinical trials. Because GLYX-13 differs from existing drugs, and because it shows potential to deliver powerful and long-lasting benefits, Dr. Riedel said he believes the product has a better chance of success in Phase III clinical trials than other depression treatments that have stalled in clinical testing.

Naurex would have had to scale up its operations considerably to undertake large, Phase III studies independently. Its management decided that the company's core expertise lay in identifying drug candidates and advancing them through proof-of-principal studies, not in late-stage clinical studies, according to Dr. Riedel. As a result, it decided to sell Naurex and its two lead assets and spin out a new company.

This spinout will advance drugs that modulate NMDA receptors, and will move these drugs into clinical studies, Dr. Riedel said.

[Top](#_top)

# BioWorld Today

**Surprise! Allergan sheds generics business for full-on branded focus**

By Jennifer Boggs

July 27, 2015

In an unexpected move, Allergan plc divested its global generic business to Teva Pharmaceuticals Industries Ltd. for $40.5 billion, continuing its evolution into an innovative pharma firm. To that end, it also added a late-stage depression therapy in a bolt-on acquisition, buying Naurex Inc. for $560 million up front, plus milestones.

Naturally, most of attention focused on the generics sale – a deal that reportedly came together in extremely short order – in which Allergan is essentially leaving behind the legacy business of Actavis plc, something even President and CEO Brent Saunders would have said was unthinkable a few weeks ago.

"I assume we have surprised everyone with this transaction," Saunders acknowledged in a Monday morning call with investors.

Actavis had long been known for its generics business before the $66 billion combination with – and subsequent rebranding as – Allergan, yet even amid efforts to grow a branded pharmaceuticals business via M&A, including 2014 deals for Forest Laboratories Inc. and Furiex Pharmaceuticals Inc., the company still kept the generics activity a priority. In fact, Teva had previously approached Allergan about a deal and been rebuffed. (See BioWorld Today, July 3, 2014, and Nov. 18, 2014.)

At that time, "we had no interest in selling," Saunders explained. But when the Israeli company "came back roughly two and a half weeks ago," admittedly with a more compelling price, Saunders and Allergan's executive chairman, Paul Bisaro, reconsidered.

"We stepped back and looked at what is happening in this industry," he said. "We started to really look at this and [determined] the generics industry has to consolidate, and we have always maintained we were not going to be a consolidator. The best thing we could do was to put our assets . . . in the hands" of Teva, a leading generics competitor.

The transaction, which does not require the approval of shareholders, also offers a financial upside for Allergan. For starters, Saunders said, "it reloads our balance sheet" – Allergan gets $33.75 billion of the payment in cash, giving it aftertax net cash and equity proceeds of about $36 billion – positioning the firm for further acquisitions, both transformational and "tuck-in" deals.

Allergan added one of the latter in its over-the-weekend buyout of Evanston, Ill.-based Naurex, for which it will pay $460 million upon closing, with the remaining $100 million due by January 2016, as well as potential R&D and sales-based milestones. That deal brings phase III-ready rapastinel (GLYX-13), a once-weekly intravenous molecule for depression.

That deal follows a flurry of second quarter activity, including the $2.1 billion acquisition of aesthetic biotech Kythera Biopharmaceuticals Inc., the buyout of medical device firm Oculeve and a $250 million deal to acquire Merck & Co. Inc.'s small-molecule oral calcitonin gene-related peptide receptor agonists for migraine. (See BioWorld Today, June 18, 2015.)

"Those kinds of deals will continue to march forward," Saunders said. "What changes [with the cash from the Teva deal] is our ability to do transformational M&A."

Bisaro agreed. "We believe our generics business will do well in [Teva's] hands, our team will do well in their hands and we look forward to participating on the upside." That participation comes via the remaining up-front payment, in the form of $6.75 billion in Teva stock, which gives Allergan a just-under-10-percent stake in Teva.

Under the terms, Allergan also holds on to 50 percent of Teva's future economics of generic Revlimid (lenalidomide, Celgene Corp.) and retains the branded pharma business and medical aesthetic business, as well as its biosimilars development programs, including its collaboration with Thousand Oaks, Calif.-based Amgen Inc., inherited in the 2012 merger of Actavis with Watson Pharmaceuticals Inc. (See BioWorld Today, Dec. 21, 2011.)

Saunders said biosimilars remain a strategic fit for the company, adding that "we made substantial investments over the years that will pay out" in the future, both in terms of the Amgen collaboration and Allergan's internal biosimilars programs.

"We do believe this will be an important segment of the market, probably starting in 2020, 2021," he added.

Shares of Allergan (NYSE:AGN) jumped $18.99 to close Monday at $327.20, as investors seemed largely positive on the news.

Post-close, Allergan expects 2015 pro form sales of about $15.5 billion and a substantial mid- to late-stage R&D pipeline.

**MYLAND DEAL OFF THE TABLE**

The transaction was received equally well for Teva. Its shares (NYSE:TEVA) closed Monday at $72.07, up $10.22, or 16.5 percent. The Jerusalem-based firm will pay the cash portion of the deal in a mix of new debt and equity.

Teva President and CEO Erez Vigodman told investors on a Monday call the move "combines the two best generic businesses in the global pharmaceutical industry," and gives Teva a portfolio of 320 pending abbreviated new drug applications (ANDAs), including 110 first-to-file ANDA opportunities pending at the FDA.

Once the transaction closes, expected in the first quarter of 2016, Teva expects the Allergan generics business to contribute roughly $2.7 billion in EBITDA in 2016, and anticipates pro forma sales of about $26 billion. In addition, after eliminating cost duplications in the consolidation, Teva expects synergies and tax savings of about $1.4 billion, most of those achieved by the third anniversary of the deal's close.

Overall, it "represents a significant opportunity for future growth at the company, and extends our commercial platform on an even more global scale," Vigodman said.

Teva has been seeking to build out other opportunities to offset losses from its top-selling multiple sclerosis drug Copaxone (glatiramer acetate), which accounts for nearly half of the company's revenue and now faces generic competition. Novartis AG's Sandoz unit launched the first FDA-approved Copaxone generic, called Glatopa, last month.

While it's entered deals to bolster its pipeline – March's $3.2 billion offer for orphan drug firm Auspex Pharmaceuticals Inc., for example – the company was in need of a near-term transaction, and consolidation of generics units seemed the way to go.

Vigodman confirmed that Teva had pursued Allergan initially as a potential target but since that firm was, at the time, unwilling to divest its generics, Teva sought to buy Mylan NV, making an unsolicited offer of $40.1 billion earlier this year, an offer rejected by the Hertfordshire, UK-based generics maker, which itself has been attempting a buyout of Perrigo plc. (See BioWorld Today, April 22, 2015.)

Leerink Research analyst Jason Gerberry said Allergan's generic business has "a very similar financial profile" to Mylan's "in terms of top-line and potential cost synergies," but has the advantage of avoiding a potential one- to two-year legal battle in the Dutch courts if Teva were to go hostile for Mylan, which adopted a pre-emptive poison pill to avoid such a takeout.

Teva officially withdrew its offer for Mylan, which saw shares NASDAQ:MYL) fall $9.37, or 14.5 percent, to close Monday at $56.37.

Congratulating Teva on its Allergan deal Monday, Mylan's chief executive, Robert J. Coury, said his company's "strategic focus remains unchanged," and it will continue takeover offer for Dublin-based Perrigo. A bid valuing Perrigo at about $28.9 billion was rejected in April. (See BioWorld Today, April 9, 2015.)

Jefferies analyst David Steinberg, however, said the Allergan-Teva deal could make a Mylan buyout of Perrigo "more unlikely."

"We think the entire reason [Mylan] went after [Perrigo] was to avoid being acquired by Teva," he wrote in a research note. "As [Mylan] is unable to offer more for [Perrigo] – given current debt levels – we believe a MYL-PRGO merger is now less likely."

Shares of Perrigo (NASDAQ:PRGO) closed Monday at $193.60, up $7.10.

**NAUREX BUY ADDING TO ALLERGAN'S PIPELINE**

According to CEO Saunders, the "best kept secret of Allergan" is the "depth and breadth of our pipeline." He pointed to more than 70 late-stage programs across seven therapeutic areas.

The Naurex deal, disclosed Sunday, adds two lead molecules for depression, both of which have shown efficacy in initial studies. Designed to modulate the NMDA receptor, rather than simply knocking it out, the compounds should avoid the undesirable side effects that plagued other NMDA drugs for depression, including Merck's NMDA receptor antagonist MK-801. Early trials conducted in sedated patients appeared promising, but when the drug was given to alert patients, it induced symptoms similar to schizophrenia.

Naurex has been hoping to position its drugs for patients with major depressive disorder who have inadequate responses to existing treatments.

The most advanced is rapastinel (GLYX-13), a once-weekly, intravenous molecule, which demonstrated positive phase IIb data, showing a strong and sustained antidepressant effect while avoiding common antidepressant side effects. Allergan plans to move that drug into phase III next year.

Also next year, an oral version of the NMDA modulator, NRX-1074, will advance into phase IIb trials.

Meanwhile, Naurex will spin out its discovery platform, focused on identifying drugs that can enhance synaptic plasticity, into a new company, which will collaborate with Allergan to find additional small-molecule NMDA receptor modulators for psychiatric and neurologic disorders. Allergan will have first right to in-license a defined number of candidates resulting from that collaboration, though no specific terms were disclosed.

Founded originally in 2000 as Nyxis Neurotherapies Inc. by Joseph Moskal, director of the Falk Center for Molecular Therapeutics at Northwestern University, the firm was recapitalized and relaunched in March 2008.

Last year, it raised $80 million in a series C round backed by new investors Cowen Investments, Ecor1 Capital Management LLC, Goudy Park Capital LP, Portola Capital Partners and Sabby Capital LLC, and existing investors Adams Street Partners, Baxter Ventures, Druid Bioventures, Genesys Capital, H. Lundbeck A/S, Latterell Venture Partners, Northwestern University, Pathocapital, Savitr Capital and Takeda Ventures. (See BioWorld Today, Dec. 14, 2014.)

[Link](http://www.bioworld.com/content/surprise-allergan-sheds-generics-unit-branded-focus-401b-teva-deal-0)

[Top](#_top)

# BioCentury

**Allergan acquires Naurex, divests generics to Teva**

July 27, 2015

Allergan plc (NYSE:AGN) rose $18.77 to $326.98 on Monday after announcing plans to acquire Naurex Inc. (Evanston, Ill.) for $560 million up front and divest its generics business to Teva Pharmaceutical Industries Ltd. (NYSE:TEVA) for $40.5 billion in cash and stock. Allergan said it will focus on branded growth products, including pharmaceuticals, medical aesthetics products, biosimilars and its Anda Inc. distribution business.

The Naurex deal gives Allergan rapastinel (GLYX-13), an intravenous partial agonist of the glycine site of the NMDA receptor that is slated to enter Phase III testing next year as an adjunctive treatment for major depressive disorder (MDD). Rapastinel missed its primary endpoint in a crossover Phase IIb trial last year, but Naurex has said it would design its Phase III trial to account for the longer-than-expected duration of benefit seen in the Phase IIb study (see BioCentury, Dec. 22, 2014).

Allergan will also obtain NRX-1074, a second generation NMDA receptor modulator in development to treat MDD. IV NRX-1074 has completed Phase II testing and an oral formulation is in Phase I. The parties expect the deal to close by YE15.

Prior to the acquisition, Naurex will spin out its discovery platform into a new company. Allergan will collaborate with the newco to discover and develop small molecule NMDA receptor modulators to treat psychiatric and neurologic disorders, and will have the first right to license certain candidates. Financial terms of the collaboration were undisclosed.

Naurex was spun out of Northwestern University in 2007.

Teva will acquire Allergan's generics business for $33.8 billion in cash and $6.8 billion in stock in a deal expected to close in 1Q16. Teva expects the acquisition to lead to double-digit non-GAAP EPS accretion in 2016.

Also on Monday, Teva withdrew its $40.1 billion bid for Mylan N.V. (NASDAQ:MYL).

[Link](http://www.biocentury.com/dailynews/topstory/2015-07-27/allergan-acquires-naurex-divests-generics-to-teva?utm_source=Twitter&utm_campaign=auto_social&utm_medium=web)

[Top](#_top)

# FierceBiotech

**UPDATED: Allergan bags NMDA depression drugs in $560M-plus Naurex buyout**

By John Carroll

July 26, 2015

The big news in biopharma this weekend is the unconfirmed report that Allergan is looking to sell its generics business to Teva. But Allergan execs didn't let the headlines distract them from another goal of CEO Brent Saunders': building the pipeline.

Early Sunday Allergan put out word that it is buying Evanston, IL-based Naurex for $560 million upfront and an unspecified set of milestones.

The buyout gives Allergan two high-profile anti-depressants, a field that has bedeviled a slate of Big Pharmas, many done in by unexpectedly high placebo responses and a continuing uncertainty over exactly how to manage a disease that afflicts tens of millions of people. The lead drug, GLYX-13, is poised for a late stage study while a followup program is headed into a Phase IIb trial.

Naurex CEO Norbert Riedel tells me that Allergan's sole interest is in the two lead drugs for depression. Now the Naurex team is free to take the development platform and its expertise in NMDA modulation and start another company that will go after a large number of additional CNS targets. Given the fact that they just sold the company for $560 million in cash and what Riedel calls a "significant" back-end interest, after raising a total of $163 million for Naurex, chances are they'll have an enthusiastic set of backers ready to move on.

The deal makes sense for a lot of reasons, adds the CEO. Allergan has the resources to execute on a late-stage program for both drugs, and Naurex gets to do what it does best: discovering new meds and pushing on to proof-of-concept data.

Naurex has been working on the NMDA target, a class of therapeutics that has fascinated academics and industry insiders alike for years. Investigators have repeatedly found that when you use ketamine on patients, many experience an almost instantaneous lifting of even the most severe types of symptoms of depression and bipolar disease. But the drug, often abused in party circles under the name Special K, is also known for only a transitory effect with a host of side effects.

A number of developers-- including J&J--have taken a shot at NMDA, but Naurex has distinguished itself with a lead therapy that has demonstrated quick action and a durable effect in a Phase IIb study. Company execs say that was the result of designing an NMDA modulator that was calibrated to give just the right tweak to the system.

Investigators gave GLYX-13 to 386 people who had failed to respond to other drugs and continued until a clinical response was seen, which happened in 53% of patients. More than two-thirds of patients relapsed within two weeks and were put on to a weekly dose of either GLYX-13 or placebo. The one-third of people who were slower to relapse started a biweekly dosing schedule. Almost half of people who received biweekly doses of GLYX-13 were in remission--as defined by the HDRS scale--at the end of six weeks of treatment. Across the whole trial population, GLYX-13 outperformed placebo.

That data helped the biotech raise $80 million in its most recent round, and also pointed the way to a late-stage program that may not require the big numbers of patients that have been a standard feature in depression for years. And that appears to have provided a convincing case to Allergan that they should add this drug to their late-stage pipeline.

[Link](http://www.fiercebiotech.com/story/allergan-bags-nmda-depression-drug-pipeline-560m-plus-naurex-buyout/2015-07-26)

[Top](#_top)

# FierceBiotech

**Allergan joins the hunt for a 'transformational' biotech deal**

By John Carroll

July 27, 2015

In a lot of ways, Allergan's new deal to buy Naurex over the weekend for $560 million upfront with the rest back-ended on the success of its two lead depression drugs looks like a lot of biotech buyouts we've seen over the past few years. Investors who put up $163 million get a good multiple on their wager in a quick payback and the chance to make some blockbuster style cash if it works out. Allergan ($AGN) gets a pair of assets that build its pipeline, particularly one headed to Phase III.

The deal also underscores that Allergan CEO Brent Saunders is a buyer in this market, which is fast distinguishing between the players who are on the field in these boom times, and those content to largely wait it out on the sidelines. And now with a $40.5 billion windfall in his pocket from the sale of Allergan's generics business, Saunders is clearly happy to spend a chunk of that cash on more deals.

In a conversation with Forbes' Matthew Herper, Saunders happily spotlighted his bolt-on buyouts with Kythera, Naurex, Furiex and Rhythm. But now he has bigger fish in mind.

"But what this does do is it accelerates our ability to think about the transformational deal," Saunders told Herper about the generics sale. "I think when you look at the past couple years in the transformational category, we've done three: Warner Chilcott, Forest, and Allergan. Each one has gotten bigger, and each one has moved up the innovation chain. So I think we'll continue to think about how we continue that path."

Compare that to recent remarks from Eli Lilly's John Lechleiter, who has always insisted on backing the pipeline he has while adding an occasional pact, or Severin Schwan at Roche. Both see this current market as overpriced.

Don't look for George Scangos in that group. Looking at some bad numbers last week, he instantly agreed with one analyst's suggestion that the best, fastest way to revive a share price was to notch a blockbuster deal. Celgene's Bob Hugin has been bullishly advocating the big gamble to anyone who cares to listen for years now. And the teach-in has analysts' rapt attention.

So, yes, biotech valuations are steamy. But for the companies that have the cash, the motivation to hit the deal table for a "transformational" deal is strong.

I once knew a man in Ireland who ran a shop for tourists, who he largely despised as pissers and pricers. "All they want to know is 'how much is that?' and 'where's the bathroom,'" he told me once. The biotech market is doing its own evaluations of pricers and buyers. And you can see how each is faring.

[Link](http://www.fiercebiotech.com/story/allergan-joins-hunt-transformational-biotech-deal/2015-07-27)

[Top](#_top)

# SCRIP Intelligence

**Allergan paying $560m for Naurex; stays quiet on rumored generics sale to Teva**

By Mandy Jackson

July 27, 2015

Allergan announced over the weekend that it agreed to pay $560m plus undisclosed milestone fees for novel depression drug developer Naurex, but the company remained quiet about the rumored sale of its generics business to Teva Pharmaceutical Industries for several billion dollars.

A spokesman said on 26 July that Allergan had no comment about speculation that the company would accept a $45bn bid for its generic medicines unit, which generated $6.7bn in sales in 2014. However, Allergan was so enthusiastic about Naurex's two lead product candidates that it agreed to acquisition terms that satisfied the entrepreneurial spirit of the private biotechnology firm's founders.

Evanston, Illinois-based Naurex will spin out its drug discovery platform into a new company with which Allergan will continue to collaborate. SpinCo, as the firm will be called until a permanent name is chosen, will retain Naurex's medicinal chemistry and related intellectual property. Allergan will not be a shareholder in the spin-out company, but will have a first right to consider licensing a predetermined number of drug candidates in specific indications.

"It's a perfect way of making sure the drugs, rapastinel (GLYX-13) and NRX-1074, are in really good hands and for the platform to remain a drug discovery platform," Naurex president and CEO Norbert Riedel told Scrip.

Two clinical assets

Allergan, which generally eschews discovery and early clinical-stage research, is acquiring two drugs that modulate the N-methyl-D-aspartate (NMDA) receptor. GLYX-13 and NRX-1074 are designed to avoid the hallucinogenic and euphoric effects associated with the well-known NMDA receptor antagonist ketamine, which is used as an anesthetic and severe pain reliever, but also has been shown to relieve depression.

Naurex reported positive Phase IIb results for GLYX-13, an intravenous NMDA receptor modulator, in December that showed an almost immediate effect on patients and sustained improvement in depression symptoms with each weekly dose.

Phase II data for orally administered NRX-1074 in January showed that a single dose reduced depression symptoms more effectively than four to six weeks of daily dosing with most other antidepressants.

The two data sets attracted attention from multiple pharma companies, according to Dr Riedel, giving Naurex new options for funding later-stage GLYX-13 and NRX-1074 development and ongoing NMDA modulator discovery.

The company raised $80m in Series C venture capital late last year, on top of prior Series A and B rounds totaling $83m, to attract investors that would improve Naurex's standing in the eyes of stock market investors if it decided to pursue an initial public offering in 2015.

With Allergan buying Naurex and its two lead drug candidates, the biotech company no longer has to worry about how it will fund large Phase III clinical trials in depression for GLYX13 and NRX-1074.

Good fit with Allergan

"We decided in the end that we were better off with a large company like Allergan taking on the large Phase III program. Allergan has a commitment to mental health, a portfolio in depression and the capability to do large clinical trials. We felt our organization should remain focused on drug discovery," Dr Riedel said.

Allergan will pay $460m up front when its acquisition of Naurex closes and another $100m in January. Naurex's shareholders also stand to earn cash in the future as Allergan achieves unspecified development and sales milestones for GLYX-13 and NRX-1074.

The assets fit into Allergan's central nervous system (CNS) portfolio of brand name medicines that includes Namenda (memantine) for Alzheimer's disease, Saphris (asenapine) for dementia, and the depression drugs Fetzima (levomilnacipran) and Viibryd (vilazodone).

Allergan, when it still was known as Actavis, acquired the CNS drugs in the $25bn purchase of Forest Laboratories. The deal also brought Forest CEO Brent Saunders to Actavis, where he was named CEO to lead the company's acquisitive strategy. Actavis became Allergan this year when it purchased the maker of Botox (onabotulinumtoxinA) and Restasis (cyclosporine) for $66bn, but the company remains active in licensing as well as acquisitions.

"Our ongoing research collaboration [with Naurex's SpinCo] will also position us to continue to leverage Naurex's innovative drug discovery platform to drive further long-term value and provide patients with needed treatment options in this important therapeutic area," Allergan president of global brands research and development David Nicholson said in a statement from the company.

The Naurex SpinCo's pipeline of drug candidates are in various stages of preclinical development. Each program represents a novel molecule, not a reformulation of a previously developed compound, Dr Riedel noted.

"Nothing is quite ready to be moved into clinical trials. We have great expectations that will occur in a reasonable amount of time," he said.

[Link](http://www.scripintelligence.com/home/Allergan-paying-560m-for-Naurex-stays-quiet-on-rumored-generics-sale-to-Teva-359627)

[Top](#_top)

# The Scientist

**Teva Buys Allergan Generics for $40.5 Billion**

By Tracy Vence

July 27, 2015

Generic drug giant Teva Pharmaceutical will acquire Allergan’s generics division in a cash-and-stock deal valued at $40.5 billion, Teva announced today (July 27). Separately Allergan yesterday (July 26) announced that it will acquire Naurex, a firm developing treatments for depression among other things, in a $560 million all-cash deal.

The acquisition of Allergan Generics “delivers on Teva’s strategic objectives in both generics and specialty,” Teva President and CEO Erez Vigodman said in his firm’s statement. “Our respective portfolios of generic medicines and applications are highly complementary, providing Teva with high quality growth and earnings visibility and the scale and resources to expand upon our specialty capabilities.”

Allergan President and CEO Brent Saunders said that while his company was not actively seeking offers to divest its generics unit, Teva made an offer the company couldn’t refuse. (In April, Teva made a failed $40 billion bid for generic drugmaker Mylan.) “Over the years, our global team of highly capable and dedicated employees has dramatically expanded our generics portfolio, capabilities, and footprint, with over 220 ANDAs [Abbreviated New Drug Applications] pending FDA [US Food and Drug Administration] approval with 74 confirmed First-to-File opportunities,” Saunders said in a statement.

Of his company’s purchase of central nervous system drug-developer Naurex, Saunders said in a statement: “We expect Naurex will enhance Allergan’s mental health portfolio and build on our strategy to lead in this important therapeutic area.”

Naurex, based in Evanston, Illinois, has one Phase-3-ready treatment and two drugs being studied in ongoing Phase 2 trials, among other compounds in development, according to its website. “This transaction . . . enables us to leverage our proven team and technology to continue innovating in this space through the spin-out of Naurex’s platform and initiation of a research collaboration with Allergan, a credible and committed partner in the field,” Norbert Riedel, Naurex’s president and CEO, said in a statement.

“Large pharmaceutical makers have engaged in a wide variety of deals in recent years to increase their scale, giving them greater negotiating power with health insurers and medical providers,” The New York Times’s Dealbook noted. “Pharmaceutical companies have also pursued acquisitions in order to gain access to new drugs in late-stage development, providing new treatments without having to engage in the lengthy and often expensive research and development process.”

[Link](http://www.scripintelligence.com/home/Allergan-paying-560m-for-Naurex-stays-quiet-on-rumored-generics-sale-to-Teva-359627)

[Top](#_top)

# Fortune

**The real reasons for the pharma merger boom**

By Jen Wieczner

July 28, 2015

“There’s sort of this mad rush,” one investor says of the $221 billion surge in pharmaceutical deals in the first half of this year.

The latest M&A wave to hit the pharmaceutical industry swept in on Monday, delivering news of big deals in every variety. It was a bonanza of acquisitions, split-ups and hostile-takeover collapses, all at once: Teva Pharmaceutical Industries said it would buy Allergan’s generics business for $40.5 billion and drop its hostile bid for Mylan, while Allergan said it would buy biopharma firm Naurex for $560 million.

The dealmaking highlighted the frenetic explosion of M&A activity in the pharmaceutical sector—not only companies gobbling each other up, but corporations jettisoning slower-growth divisions in the form of spinoffs or divestitures. The result has been a nuclear-like transformation of the industry in which companies have combined, split and recombined at a breakneck pace, emerging with all new identities and properties. There were $221 billion worth of pharmaceutical deals completed in the first half of this year, triple the amount during the first half of 2014, according to a recent report from consulting firm KPMG.

Why such a rush to make deals? Experts attribute it to a combination of investor pressure and a narrowing window of opportunity.

Pharma companies believe acquisitions are the only way to keep their revenues growing as fast as investors expect—and with today’s complex breakthrough medicines, it’s often cheaper for a company to acquire the next blockbuster drug than to develop it in-house. Adding to the M&A hurry are the current low interest rates, which make capital cheap for companies like Allergan AGN 0.94% and Mylan MYL -2.12% that have funded their acquisitions with debt. Rates are likely to go up, perhaps as soon as this autumn, and companies and analysts report that recent dealmaking has also reduced the options for takeout candidates—putting pressure on companies. (Imagine how someone might feel if he waited too long to ask a date to prom, and his first choices had already paired up.) Indeed, in this fast-moving environment, some serial pharma acquirers say they can hammer out deals in less than a day, even hours—assuming their target is willing to be bought.

“There’s sort of this mad rush to do deals, and we see these record levels of M&A,” says Kurt Umbarger, a T. Rowe Price portfolio specialist on global equities.

This week’s events involve a company that’s a particularly potent symbol of the ongoing boom. Actavis went on a $100 billion acquisition spree over roughly a year, culminating in its $70.5 billion white-knight takeover of Allergan last fall. That deal cemented Actavis’s rebirth as a branded and specialty pharma company—or as CEO Brent Saunders said, a pioneer “in a new industry model: Growth Pharma.” To drive home that point, the combined company renamed itself Allergan in June—just six weeks ago—then bought Kythera Biopharmaceuticals KYTH 0.13% for $2.1 billion. On Monday, it announced that it would sell its “legacy Actavis” generics unit to Teva TEVA -0.93% , to “accelerate Allergan’s evolution into a branded growth pharma leader,” Saunders said in a statement. Who could even recognize the company formerly known as Actavis in its current form?

Mylan, now officially free from the clutches of Israel-based Teva, which had been on a hostile attempt to acquire its smaller rival, is also a symbol of reinvention-by-acquisition. It transformed from a U.S. company to a global one through an acquisition of Merck’s MRK -0.40% generic business in 2007, then officially became a Dutch company earlier this year after buying a division of Abbott Laboratories ABT 0.14% and inverting to the Netherlands. The transformation afforded Mylan new protections under Dutch law, such as a takeover defense known as a stichting, which kicked in last week and likely played a role in pushing Teva away. (Next, Mylan wants to buy Ireland-based Perrigo PRGO -2.00% to further transform itself from a generic prescription drug maker to a more diversified healthcare company, though Perrigo has so far rebuffed its overtures.)

For a company like Teva, cost cuts are a primary motivation for dealmaking. The world’s largest drug manufacturer is facing steep competition from a slew of smaller generic players, and the recent loss of patent protection on its major branded drug, Copaxone, is threatening Teva’s profit margins. By acquiring a rival generic maker, Teva can claim more market share in the industry and also slash any overlapping divisions (and their staff): After absorbing Allergan’s generics business, it expects to save $1.4 billion annually. (Teva had said it would have saved $2 billion annually had it bought Mylan.)

But growth is the main driver for M&A deals: Not just growth in drug distribution scale or earnings growth through cost-cutting, but in revenues—and especially share price. Revenue growth has slowed as many companies sink more resources into developing the next blockbuster drug; what’s more, the “patent cliff” for the last round of megabillion-dollar drugs—when generics firms typically see a sales spurt—happened a few years ago. Investors have recently rewarded both targets and acquirers upon pharma deal announcements (whereas in the past, shares of the acquirer would often sink due to the supposed transaction costs). Because of the likelihood that pursuing an acquisition will boost a company’s revenue growth and thus its share price, investors have increasingly been pressuring pharmaceutical firms such as Gilead Sciences GILD 1.00% and Teva to strike deals. Shares of Teva, for instance, rose nearly 17% on Monday after the Allergan transaction was announced, while shares of Allergan rose 6%.

Consider also a company like Horizon Pharma HZNP 4.43% , a biopharmaceutical firm that has acquired three other pharma firms since September of 2014. Horizon says acquiring other medicines is as much as part of its strategy as R&D. The company expects its revenues and profits to roughly double this year, and it recently launched an unsolicited takeover bid for Depomed DEPO -0.59% . Horizon’s stock price is up more than 250% since September.

While T. Rowe Price doesn’t build a stock portfolio based on potential takeover candidates, Umbarger says, that possibility has lately become a bigger part of the investment discussion at the firm, in terms of “How could you value it in the eyes of other beholders?” he says. “You have to think more about it in this environment.”

One prominent investor who has been thinking a lot about pharmaceutical M&A is hedge fund manager Bill Ackman, the founder of Pershing Square Capital Management. He made headlines in 2014 by campaigning with Valeant Pharmaceuticals VRX -0.15% to buy Allergan—a hostile attempt that ultimately drove Allergan into the arms of Actavis. Still, the takeover bid pushed up the value of Ackman’s large stake in Allergan, netting Pershing billions of dollars, and the hedge fund manager says the experience helped him realize the value in serial acquirers. He has since gone long on Valeant, saying such “platform companies”—those that grow through bolt-on acquisitions—enrich their shareholders with each new deal, as Valeant did when it acquired Salix Pharmaceuticals earlier this year (Valeant shares are up 49% since then). “Shareholders should not be allowed to make this much money,” Ackman said in a presentation at a conference in May, in which he compared Valeant to Warren Buffett’s Berkshire Hathaway BRK.A 1.20% in its early days. “This is a huge opportunity for investors.”

[Link](http://fortune.com/2015/07/28/why-pharma-mergers-are-booming/)

[Top](#_top)

# Genetic Engineering & Biotechnology News

**Teva to Acquire Allergan's Generics Business for $40.5B**

By Alex Philippidis

July 27, 2015

Allergan said today it has agreed to sell its global generic pharmaceuticals business to Teva Pharmaceutical Industries for $40.5 billion—a blockbuster deal that ends the buyer’s months-long effort to grow into a global giant by acquiring Mylan.

Under the deal, Teva has agreed to buy Allergan's legacy Actavis global generics business, including the U.S. and international generic commercial units. Allergan’s generic portfolio includes more than 220 ANDAs pending FDA approval with 74 confirmed First-to-File opportunities.

The transaction is intended to transform Teva into one of the world’s top drugmakers—a goal the company sought to achieve earlier this year by snapping up Mylan. But Mylan rejected Teva’s unsolicited advances, starting with a nearly $40 billion cash-and-stock offer disclosed in April—a month after speculation arose of a possible deal between Teva and Mylan.

“We continue to believe that a combination of Teva and Mylan would have made sense for our companies, our respective stockholders, and the healthcare industry as a whole,” Teva president and CEO Erez Vigodman said in a statement. “Despite our clear commitment to consummating a transaction, and our conviction that we ultimately would have succeeded in acquiring Mylan, we believe we have an even greater opportunity to create compelling, sustainable value for Teva’s stockholders through our transaction with Allergan—and we acted quickly to seize the opportunity.”

Teva intends to review its options regarding its ownership of about 4.6% of Mylan’s outstanding ordinary shares of common stock, Vigodman said.

According to Teva, generics along with specialty drugs showed improved performance in the second quarter, in a statement accompanying preliminary quarterly results released today. Teva will report full second quarter 2015 financial results on Thursday.

While Teva acknowledged a 2% dip in revenues from Q2 2014 to $4.97 billion, the company said the decline reflected the impact of foreign exchange fluctuations and the sale of U.S. over-the-counter (OTC) plants in July 2014. Absent those factors, Teva said, revenues rose 6% year-over-year.

“While we were not actively seeking a buyer for our generics business, Teva presented an offer at a very compelling valuation that reflects and recognizes the significant value that our global generics team has generated in creating and managing a world-class generics business," Allergan CEO and president Brent Saunders in a separate statement.

Teva also agreed to acquire third-party supplier Medis, global generic manufacturing operations, the global generic R&D unit, the international over-the-counter (OTC) commercial unit (excluding OTC eye care products), and some established international brands.

Allergan will retain its global branded pharmaceutical and medical aesthetic businesses, as well as its biosimilars development programs and the Anda distribution business. Allergan will also retain 50% of Teva's future revenues from generic lenalidomide (Revlimid®).

In addition, Allergan promised to maintain a “strong” commitment to R&D spending, which is expected to reach about $1.4 billion this year.

As a result of the deal with Teva, Saunders said, Allergan expects to have 2015 pro forma sales of approximately $15.5 billion, a simplified operating model and a strong position in seven therapeutic areas—eye care, gastroenterology (GI), aesthetics, women's health, CNS, urology and anti-infectives.

Allergan’s branded drug business includes among its top-sellers the neuromuscular blocking agent Botox® as well as high blood pressure treatment Bystolic® (nebivolol); Namenda XR® (memantine HCl) for moderate-to-severe dementia of the Alzheimer’s type; the ulcerative colitis treatment Delzicol®/Asacol® HD (mesalamine); and Linzess® (linaclotide) for chronic idiopathic constipation and irritable bowel syndrome with constipation in adults.

That branded-drug portfolio is expected to grow this year if several pending acquisitions are completed as planned. Just yesterday, Allergan said it planned to acquire Naurex, a developer of central nervous system treatments, for $560 million upfront plus an undisclosed amount in payments tied to sales-threshold milestones.

Naurex’s lead development product rapastinel (GLYX-13) is a once-weekly intravenous Phase III-ready molecule that showed rapid, robust and sustained efficacy against depression in multiple Phase II clinical studies. Another Naurex pipeline candidate, NRX-1074, has shown in its intravenous form antidepressant efficacy in an initial single-dose Phase II study, according to Allergan, while its oral form is in Phase I studies.

However, Naurex will spin out into a new company its platform designed to discover drugs that enhance synaptic plasticity by modulating the NMDA receptor rather than shutting it down. The new spinout will launch aresearch collaboration with Allergan focused on the discovery and early development of innovative small molecule NMDA receptor modulators for the treatment of certain psychiatric and neurologic disorders.

Last month, Allergan said it planned to acquire Kythera Biopharmaceuticals for about $2.1 billion in cash and stock, adding to its portfolio Kybella, the first non-surgical treatment for double chins, and a pipeline that includes setipiprant (KYTH-105) designed to prevent male pattern baldness.

Allergan will also have a simplified manufacturing network of 12 plants globally, an mid-to-late-stage R&D pipeline with 70 projects, and a global commercial operating model through which the company said it intends to generate double-digit branded product sales with “compelling” profit margins.

"This transaction will accelerate Allergan's evolution into a branded growth pharma leader, enable a sharpened focus on expanding and enhancing our global branded pharmaceutical business and strengthen our financial position to build on our proven track-record of value creation led by effective capital deployment," Saunders said.

"The transaction results in after tax net cash and equity proceeds of approximately $36 billion that we intend to deploy to further accelerate the robust growth prospects of our branded business,” Saunders added. “We will have the potential to add scale in existing therapeutic areas, expand into new therapeutic areas and geographies and evaluate strategic transformational deals as we continue to build on our position as the most dynamic branded growth pharma company.”

Under their deal, Allergan will receive $33.75 billion cash, and the remaining $6.75 billion in Teva stock. Allergan said it expects to use a portion of the sale proceeds to pay down debt, including credit facilities and bonds.

The transaction is expected to close in the first quarter of 2016, subject to customary conditions that include antitrust clearance in the U.S. and the E.U. and certain other jurisdictions. Allergan said the boards of both companies have unanimously approved the deal, and no shareholder vote is required at either Allergan or Teva.

[Link](http://www.genengnews.com/gen-news-highlights/teva-to-acquire-allergan-s-generics-business-for-40-5b/81251550/)

[Top](#_top)

# MedCity News

**Morning Read: Allergan makes antidepressant acquisition, an Allergan deal could give Teva big pharma status**

By Stephanie Baum

July 27, 2015

Allergan is the center of attention in a couple of stories this morning. Allergan is acquiring antidepressant drug developer Naurex in a $560 million deal. Allergan CEO Brent Saunders said it was interested in the potential of Naurex’s drug to curb suicide.

“Depression remains one of the largest unmet areas of medical need. When you think about existing therapies, they have modest effects with lots of side effects.” — Forbes

Meanwhile Teva has agreed to buy Allergan’s generics business in a $40.5 billion deal that’s set to boost the Israeli pharmaceuticals company to big pharma status. — The Wall Street Journal

[Link](http://medcitynews.com/2015/07/allergan-antidepessant-acquisition/)

[Top](#_top)

# Chicago Tribune

**Allergan to acquire Evanston's Naurex**

By Tribune Wire Reporter

July 27, 2015

Allergan PLC, the Dublin-based pharmaceutical giant, announced Sunday it has agreed to buy Naurex, a developer of drugs for depression and other central nervous system disorders, for $560 million.

Naurex, based in Evanston, Illinois, is privately held. Naurex's drugs are being tested in clinical trials but are not yet approved for sale.

The announcement came ahead of Israel's Teva Pharmaceutical Industries Ltd. announcing that it will scoop up Allergan PLC's generic pharmaceuticals business. Teva said Monday it is purchasing the business for $40.5 billion, in what Israeli analysts called the largest-ever acquisition by an Israeli company.

Both the Naurex and the Teva deals will move Allergan out of the highly-competitive generic drug business and allow it to focus on developing new drugs.

[Link](http://www.chicagotribune.com/business/ct-allergan-naurex-20150726-story.html)

[Top](#_top)

# Chicago Tribune Blue Sky Innovation

**Naurex to be acquired by Allergan for $560 million**

By Meg Graham

July 27, 2015

Allergan, a Dublin-based global pharmaceutical company, will acquire Evanston-based biopharmaceutical company Naurex for $560 million, the companies said.

The companies said Naurex will have the potential to receive additional research and development “success-based and sales-threshold milestone payments."

Naurex, which was developing a fast-acting molecule to treat major depressive disorder among other compounds to treat central nervous system disorders, raised an $80 million Series C round in early December to continue clinical development of its drugs.

Though Naurex CEO Norbert Riedel said many drugs available for depression change the balance of serotonin in the brain, Naurex’s compounds would tweak the brain’s NMDA receptor to treat major depressive disorder and could potentially also treat schizophrenia, anxiety and other central nervous system disorders, the company said.

Riedel said Allergan was the right partner to take the company’s drugs — GLYX-13, or rapastinel, and NRX-1074 — through the next stages of development and commercialization.

“They can do what needs to be done much more more effectively than we can,” he said.

Prior to closing the acquisition, Naurex will spin out its drug-discovery platform into a new company, which has not yet been named. That new company will continue to work on molecules that modulate the NMDA receptor for the treatment of other diseases, Riedel said.

Allergan expects to close the transaction by the end of the year, the company said in a statement.

Naurex’s lead molecule, GLYX-13, would be administered intravenously to alleviate symptoms of depression within hours, Riedel told Blue Sky in December. A Phase 3 program for the drug is expected to begin in 2016, the companies said in a statement.

Another Naurex molecule in development, NRX-1074, would potentially be a “first-line therapy” for newly diagnosed patients, the company said in December.

“These highly differentiated compounds will immediately bolster our exceptional mental health pipeline,” Allergan CEO and president Brent Saunders said in the statement.

“This is not a single-trick pony,” Riedel previously told Blue Sky. “It’s a pipeline of molecules that all work in the same mechanism of modulating the NMDA reception and thereby makes for one of the strongest pipelines in the country — and probably globally.”

Meanwhile, Israel’s Teva Pharmaceutical Industries announced Monday it was buying Allergan’s generic pharmaceuticals business for $40.5 billion.

[Link](http://www.chicagotribune.com/bluesky/originals/ct-allergan-buys-naurex-bsi-20150727-story.html)

[Top](#_top)

# Chicago Inno

**Following Its $560M Acquisition, NU Drug Startup Naurex Launches New Research Company**

By Karis Hustad

July 27, 2015

This weekend Naurex, an Evanston-based biopharma company that creates depression-treating drugs, was acquired by Dublin-based pharmaceutical company Allergan for $560 million, plus success-based and sales-threshold milestone payments.

Allergan will now be in charge of bringing Naurex's two depression treating drugs to commercialization, while Naurex will spin off a new company to explore other uses for their research. This is major deal within itself, but the Northwestern-born startup is also folded into a larger pharmaceutical shift: on Monday Allergan announced it is selling its generic division to Israel-based Teva Pharmaceuticals to focus on developing brand name drugs.

The last time we check in with Naurex, the company had raised over $160 million to test their depression treatment drug GLYX-13. This NMDA receptor modulator is injected intravenously, and has been shown to quickly sustain antidepressant effects, with limited side effects, during its Phase 2 trials. To put the drug's success in context, when taking normal antidepressants, such as Paxil, patients may wait a month or more for depression symptoms to wane. With Naurex's drug, some patients were seeing their symptoms decrease in as little as two hours.

Major depression affects about 7 percent of the the US population over 18, according to the National Institute of Mental Health, and between 20 and 25 percent of adults may suffer from a period of depression at some point in their life.

However, getting a drug to market-- even one with proven results-- can be time consuming and expensive, often beyond the reach of a small company. With the acquisition, Allergan will take over the Phase 3 trials of the drug, which are slated for 2016, with the aim of getting it to the market by 2020. Beyond GLYX-13, Allergan also will take over a second Naurex drug that performs similarly, but can be taken in pill form. That drug is headed to the second stage of clinical trials, and the aim is to bring it to market by 2022.

"Naurex's unique pipeline comprises compounds that utilize a new mechanism to target areas of significant unmet medical need in Major Depressive Disorder (MDD), including severe and/or treatment-resistant depression," said Brent Saunders, CEO and president of Allergan in a statement. "These highly differentiated compounds will immediately bolster our exceptional mental health pipeline."

The benefits of their research could potentially scale beyond treating depression. Before finalizing the acquisition, Naurex is spinning out a new drug discovery company that will take Naurex's previous work with NMDA receptor modulators and explore similar methods could be used to treat other psychiatric and neurologic disorders. Allergan won't own the new company, but will collaborate with Naurex in the endeavor.

Ashish Khanna, vice president of corporate development at Naurex, said that implications of future research and development could extend from mood disorders to pain disorders to cognitive disorders.

"The research lends itself to a number of disorders in a compelling ways," he said in regards to where the new company will next focus its research. "[Future developments] will be led by the data and science rather than goals we pull out of thin air."

Growing pipeline tech of innovative solutions is part of Allergan's new direction. On Monday, the global pharmaceutical company announced it is selling its generic division to Teva Pharmaceuticals to focus on developing brand name drugs and therapeutic techniques. Khanna believes that Naurex fits well into this next step: "[Allergan] has a focus on differentiated potential and growth pharmaceutical opportunities, where they can have a big impact on patient needs. And our program is prime example of that."

Despite their connection to the global pharmaceutical company, Naurex's new company (the name and personnel decisions are still pending) will continue to be based out of their current Evanston offices. Naurex's original research was done by a Northwestern biomedical engineering professor, and Northwestern will see financial gain from the deal given they supported the growth of the tech and are a current investor in the company. Khanna sees a deal like this as a boost for the biotech community in Chicago and Illinois, which hasn't seen a robust pharmaceutical startup in some time.

"It has been a growing biotech innovation community, but it doesn't get the credit it desrves for how well established and well connected it is," he said. "I hope that the attention [and] the recognition will continue to grow and foster and will be heightened by deals like these."

[Link](http://chicagoinno.streetwise.co/2015/07/27/naurex-acquired-by-allergan-spins-out-new-company/)

[Top](#_top)

# McCormick News

**Northwestern Spin-off Naurex to be Aquired by Allergan**

By Amanda Morris

July 27, 2015

Northwestern University spin-off Naurex Inc. has entered into a transaction with large pharmaceutical company Allergan, paving the way for its promising antidepressant programs to proceed into late-stage clinical trial and eventually enter the market.

Under the terms of the all-cash transaction, Allergan will acquire Naurex for a $560 million upfront payment of net cash acquired, as well as potential success-based research and development and commercial milestone payments.

The transaction represents the culmination of more than 30 years of neuropharmaceutical development in the laboratory of Joseph Moskal, research professor of biomedical engineering at Northwestern University’s McCormick School of Engineering, and seven years of business development among a team with many Northwestern Engineering connections.

The spin-out company will allow Moskal and his colleagues to continue discovering and developing novel modulators of the NMDA receptor and innovating with that technology to discover new therapies for brain and nervous system disorders.

“It feels really good to get Naurex to the point where the innovation and value of our lead antidepressant programs are recognized by a company with Allergan’s development and commercial expertise in the field,” Moskal said. “And it’s the natural time. We finished proving these molecules have dramatic potential through much of the early clinical work. Now it’s time to hand these important therapies to a capable party with the necessary large resources — and to focus on repeating this innovation with our proven team and technology.”

**A New Path for Treatment**

According to the National Institute of Mental Health (NIMH), major depression is the second leading cause of disability in US adults, affecting as much as 10 percent of the population.

Naurex’s fast-acting drug for major depression disorder, called rapastinel (previously named GLYX-13), has shown unrivaled success in Phase I and II clinical trials. Not only does the drug take effect within hours, but one dose can last for one to two weeks without any known side effects. Last year, the intravenous injectable drug received the Food and Drug Administration’s highly coveted fast-track designation, a classification given only to drugs that demonstrate superior effectiveness and safety.

“There are about 60 people from the Phase II trial who are still taking rapastinel,” said Moskal, Naurex’s founder and chief scientific officer. “The fact that these people are willing to go to the doctor every week and take an injection is amazing. That speaks for itself.”

Rapastinel is currently in Phase III clinical trials. The company’s second antidepressant drug, NRX-1074, currently in Phase II clinical trials, has shown similar success and will be available in an orally deliverable pill. Because they work differently than popular antidepressants, rapastinel and NRX-1074 could provide much-needed relief for 30 to 40 percent of patients who are unresponsive to available medications.

 “Patients often go from one therapy to another to another,” said Naurex president and CEO Norbert Riedel. “One treatment might work for a short time, but then they have to start all over. Meanwhile, they are burdened with all sorts of side effects that interfere with their quality of life.”

Rapastinel has showed rapid, substantial, and sustained effects for those with even hard-to-treat symptoms. The promising drug works by targeting the brain’s NMDA receptors, which are involved in learning and memory mechanisms. This is a markedly different approach from current, widely used antidepressants that instead increase serotonin levels. While rapastinel is not the drug to target the NMDA receptors, it is potentially the safest. None of the clinical trial subjects thus far have experienced serious adverse side effects related to the drug. Other drugs on the market and in development that target NMDA receptors can cause hallucinations, nausea, insomnia, and even psychotic episodes. Moskal posits that rapastinel does not block the receptor’s ion channel, which may be the reason it doesn’t have the same side effects.

“Fundamentally, we have found the key to unlocking the way in which this receptor needs to be modulated to restore normal brain function,” Moskal said.

**Modest Beginnings**

The work that eventually led to rapastinel began back in 1983. Moskal remembers wearing jeans and sneakers as a senior staff fellow at the NIMH’s Intramural Research Program, where he developed molecules and monoclonal antibodies to use as probes to understand pathways of learning and memory. After injecting the antibodies into an animal model, Moskal experienced a major breakthrough in his research. The animal models acted in exactly the way he predicted.

“I wanted to see if the antibody would stimulate learning and memory, and it did,” Moskal said. “The animal learned twice as fast as the controls. There was a real, functioning mammal that was truly learning.”

Moskal joined Northwestern University in 1990 and founded the Falk Center for Molecular Therapeutics with the goal to translate discoveries into clinically useful compounds. It was there that he converted the large monoclonal antibodies into small molecules that he suspected might have therapeutic potential. GLYX-13, now called rapastinel, was one of them.

 “Joe didn’t approach his work thinking ‘I want to develop the next multi-million dollar drug,’” said Bill Gantz, the executive chairman of the board at Naurex. “He wanted to understand cognition. He was coming at it from a unique perspective.”

With the goal of bringing his therapeutics to market, Moskal founded Naurex in late 2006 and started raising meaningful seed funding in 2008. While the company was the fourth to grow out of his research, it was the first to succeed. He credits some of the success to Northwestern’s supportive and innovative environment, which enabled him to work alongside students and world-class researchers while developing a business. But much of the success is owed to Moskal’s unflappable determination and resilience.

“If you’re going to be in this business for 30 or 40 years, you’re going to experience failure,” he said. “But for me, failure never felt like failure. It was just a different kind of data.”

**Building the Right Team**

In 2011, Naurex raised $18 million in financing, jumpstarting momentum for the company. It attracted Gantz and Riedel, veterans of the pharmaceutical industry and members of Northwestern Engineering’s McCormick Advisory Council. At the time, Gantz was on the board of Adams Street Partners, a private equity firm that invested in Naurex. Riedel was the corporate vice president and chief science and innovation officer at Baxter International, where he developed Baxter Ventures in 2011 with a goal to invest in startups. One of the fund’s first grants went to Naurex.

Believing that Moskal and his team discovered a breakthrough treatment for depression, Gantz and Riedel were motivated to join Naurex because of their faith in the technology. The second factor that attracted them was Moskal. Described by Riedel as “a bundle of energy,” Moskal talks fast and laughs easily. Even at age 65, he shows no signs of stopping.

“He exemplifies academic brilliance,” Riedel said. “But he also gives people an environment where they can flourish. He has passion, perseverance, and an infectious enthusiasm for his work.”

“It can be a challenge to turn research into a fully functioning company,” Gantz said. “But what’s wonderful about Joe is his curiosity. His curiosity extends not only into science but into business and how things work commercially.”

With the right team in place, Naurex became virtually unstoppable. The company has received $163 million of venture funding and investments, with $80 million of the total coming from just one round of financing in November 2014.

“It was one of the largest financings in history for private biotech companies in the United States,” Riedel said. “I’m not aware of any other examples of a university technology commanding that much attention from investors.”

**A Bright Future**

Moskal has found that the NMDA receptor is not just involved in depression but in many other central nervous system disorders. The new spin-out company will discover and develop other small molecules that modulate the same receptor to treat a wide array of debilitating diseases and disorders of the brain and nervous system. Moskal said these terrible illnesses have few effective treatments and are “ripe” for his compounds.

“Joe’s research has opened a whole universe of brain conditions where the same master switch is either involved in the normal physiology of the brain or involved in helping trigger the disease,” Riedel said. “If we now take a small molecule and administer it to models of many brain and nervous system conditions, we see striking therapeutic benefits in all instances.”

Over the past nine years, Naurex has grown from a small start-up into a highly valuable company with strong interest from both investors and large companies. Moskal and his team are now poised to continue innovating in new disease areas with their spin-out company.

“I’m psyched to ride the next wave,” Moskal said. “I believe that the best is yet to come for our technology and team.”

[Link](http://www.mccormick.northwestern.edu/news/articles/2015/07/northwestern-spin-off-naurex-to-be-acquired-by-allergan.html)

[Top](#_top)

# Crain’s Chicago Business

**Evanston drug startup to be acquired for $560 million**

By John Pletz

July 26, 2015

Evanston-based drug startup Naurex is to be bought for $560 million by Allergan, best known for making Botox.

The deal for Naurex, one of the only Chicago-area drug companies to get a drug to Phase 3 trials, the last stop before it can be prescribed, is part of a wave of consolidation sweeping the industry.

Naurex, a Northwestern spinout led by [**former Baxter executive Norbert Riedel,**](http://www.chicagobusiness.com/section/tech-50#Riedel) has created a promising drug for treating severe depression. The intravenous treatment is viewed as potentially faster-acting, longer-lasting and having fewer, less severe side effects than some other treatments. It also has appeal as an emergency suicide-prevention treatment.

The drug, GLYX-13, was expected to begin Phase 3 trials this summer and be on the market in about four years. Naurex, which also is developing an oral version of the drug, is seen as one of the most promising drug startups to come out of Chicago's life-science community in years.

Allergan is buying both drugs. The Naurex team, which had grown to about 50, is creating a new company and will continue to develop other drugs, Riedel said.

"We have the opportunity to do it all over again," he said.

As part of the deal with Allergan, the new company will have enough funding to continue its work for a year or so before it needs to think about raising money.

"Our team at Naurex has been successful in bringing these two highly innovative treatments for depression through proof-of-concept clinical trials," Riedel said in a statement. "We recognized that Allergan's deep commitment and experience in mental health position them particularly well to progress these programs through further clinical development and into commercialization.

"This transaction also enables us to leverage our proven team and technology to continue innovating in this space through the spin-out of Naurex's platform and initiation of a research collaboration with Allergan, a credible and committed partner in the field."

**NAUREX ROOTS**

The company grew out of two decades of work by Northwestern researcher Joe Moskal on the NMDA receptor in the brain, which plays a role in a range of disorders, from schizophrenia and anxiety to autism and post-traumatic stress disorder. GLYX-13 showed promise as particularly fast-acting and long-lasting, reducing the frequency with which patients had to take the medication.

While the Chicago region has long been home to drug giants such as Abbott and Baxter, and the U.S. operations of Takeda and Astellas, it has struggled to produce a blockbuster startup creating its own drugs.

"This transaction is really important for Chicago," Riedel said. "It shows that world-class technology started at Northwestern can be successfully developed here."

The deal should be a home run for Naurex investors, which include Chicago-based Adams Street Partners, Deerfield-based Baxter Ventures, Deerfield-based Lundbeck, Northwestern, Northbrook-based PathoCapital, Latterell Venture Partners, Takeda Ventures, Druid BioVentures, Genesys Capital, Savitr Capital and others.

Drug development is incredibly risky and expensive. Naurex [**raised more than $150 million in venture capital,**](http://www.chicagobusiness.com/article/20141203/BLOGS11/141209912/biopharma-startup-naurex-raises-80-million) but bringing the drug to market would have required much more investment.

Large companies are always on the lookout for their next hit drug and look to reduce their risk by buying startups with treatments that appear headed for market. That's a cheaper strategy than creating new drugs from scratch.

**'STEPPING IN AT THE RIGHT TIME'**

"It is time to sell. Science-driven startups don't have sales forces or in-house reimbursement expertise," said Erik Gordon, a University of Michigan professor who follows corporate mergers. "Naurex supplied the high-risk R&D. Allergan, which doesn't like risky R&D and does like to acquire product, is stepping in at the right time."

Allergan had kept an eye on Naurex, but it became more interested in January after clinical data from the second drug molecule became available.

"Naurex's unique pipeline comprises compounds that utilize a new mechanism to target areas of significant unmet medical need in major depressive disorder, including severe and/or treatment-resistant depression," Allergan CEO Brent Saunders said in a statement. "These highly differentiated compounds will immediately bolster our exceptional mental health pipeline."

Allergan, [**like Horizon Pharma,**](http://www.chicagobusiness.com/article/20150718/ISSUE10/307189990/horizon-pharm-ceo-walbert-with-depomed-bid-gets-even-more-aggressive) is based in Ireland but has operating headquarters in the U.S. Allergan, which Actavis acquired for $66 billion last year, has U.S. operations in Parsippany, N.J. According to Bloomberg News, pharma deals this year have topped $180 billion and are on pace to beat last year's record of more than $200 billion.

[Link](http://www.chicagobusiness.com/article/20150726/BLOGS11/150729845/evanston-drug-startup-to-be-acquired-for-560-million)

[Top](#_top)

# Evanston Now

**Allergan to acquire Evanston drug firm**

By Bill Smith

July 26, 2015

The global pharmaceutical company Allergan plc today announced that it will acquire Evanston-based biopharmaceutical company Naurex Inc., for $560 million in an all-cash transaction.

Naurex is developing therapies for central nervous system disorders.

In a joint press release, the companies said the acquisition will strengthen Allergan's long-term growth profile with the addition of Naurex's lead development product rapastinel (GLYX-13), a once-weekly intravenous Phase 3-ready molecule that has demonstrated rapid, robust and sustained efficacy in multiple Phase 2 clinical studies in depression.

The acquisition will also add Naurex's development product NRX-1074, a next-generation drug candidate, the intravenous form of which has shown rapid and robust antidepressant efficacy in an initial single-dose Phase 2 study. NRX-1074 is also an orally bioavailable drug candidate which is in Phase 1 studies.

Naurex, headquartered at 1801 Maple Ave. in Evanston, raised $25 million in a financing round last year after getting fast-track testing approval on its GLYX-13 drug, which it won a patent on in 2013.

"The acquisition of Naurex is a great fit for Allergan and a compelling and exciting investment. We expect Naurex will enhance Allergan's mental health portfolio and build on our strategy to lead in this important therapeutic area," said Brent Saunders, CEO and President of Allergan.

"Our team at Naurex has been successful in bringing these two highly innovative treatments for depression through proof-of-concept clinical trials," said Norbert Riedel, Ph.D., President and CEO of Naurex. "We recognized that Allergan's deep commitment and experience in mental health position them particularly well to progress these programs through further clinical development and into commercialization. This transaction also enables us to leverage our proven team and technology to continue innovating in this space through the spin-out of Naurex's platform and initiation of a research collaboration with Allergan, a credible and committed partner in the field."

Major investors in Naurex include Adams Street Partners, LVP Life Science Ventures, Baxter Ventures and Baxalta Ventures, Savitr Capital, Genesys Capital, H. Lundbeck A/S, PathoCapital Group, Takeda Ventures, Druid BioVentures, Shire LLC, Longboat Ventures, Goudy Park Capital, EcoR1 Capital, Sabby Capital, Northwestern University, Cowen Investments and Portola Capital Partners.

[Link](http://evanstonnow.com/story/business/bill-smith/2015-07-26/71524/allergan-to-acquire-evanston-drug-firm)

[Top](#_top)

# Regal Tribune

**ALLERGAN BUYS NAUREX, SETS FORTH TO REVOLUTIONIZE ANTIDEPRESSANTS**

By Graziella Paone

July 26, 2015

Pharmaceutical giant Allergan is set to complete a $560 million deal to buy Illinois based company Naurex, which specializes in the production of antidepressants.

According to a MarketWatch report announcing the deal on Sunday, the deal between the two companies is definitive and will be made exclusively on cash transactions. Allergan will be required pay $460 million after the deal is finalized and another $100 million in January 2016. Undisclosed R&D and sales threshold bonuses are also included in the deal.

However, this will not include Naurex’s research division, at least for the time being, which will break as a new company and will collaborate with Allergan on its antidepressant research from equal standing.

Allergan’s chief executive Brent Saunders was optimistic about the prospects of the two companies after the deal, announcing as an opportunity to revolutionize medication in mood disorders and even drag suicide rates down.

“The acquisition of Naurex is a great fit for Allergan and a compelling and exciting investment. We expect Naurex will enhance Allergan’s mental health portfolio and build on our strategy to lead in this important therapeutic area”, he said.

These claims are bolstered by two experimental drugs which Naurex are currently testing in late clinical trial stages, named rapstinel and NRX-1074, which are meant to offer a better response to those who resists the effects of antidepressants. While this is still mostly concept – their effectiveness and potential benefits need to show in larger scale trials if the drugs were to be approved by regulators – it excites most researchers due to the fact that one of the two drugs is designed more as an anti-suicidal, meant for severe cases which cannot be contained by antidepressants.

Naurex’s CEO Dr. Norbert Riedel is also satisfied with the outcome of the deal, stating that it provides a chance for the company’s in-development drugs to be researched more thoroughly and progress faster, naming Allergan a “credible and committed” partner in antidepressant research.

The deal itself has been discussed since late 2014, with the common bridge being research in the underdeveloped area of depression. Naurex has been one of the few companies actively researching and progressing in the field, starting from successful ketamine anti-depression tests and building onto its experimental drugs from there.Several other drugs before tested by the company have also shown breakthrough effects on patients which were not responding to antidepressants, but have yet to been created in a pill form.

[Link](http://www.regaltribune.com/allergan-buys-naurex-sets-forth-to-revolutionize-antidepressants/21956/)

[Top](#_top)

# PharmaTimes

**Allergan buys Naurex and its antidepressants for $560m**

By Selina McKee

July 26, 2015

Allergan is shelling out $560 million in cash for US biopharma Naurex and its two flagship experimental antidepressants as it spending spree continues.

Under the terms of the deal, Allergan will pay $460 million upon the closing of the acquisition and $100 million by January next year (or upon the closing if the closing has not occurred by then), as well as potential R&D success-based and sales-threshold milestone payments.

The move gives the Dublin, Ireland-based drugmaker access to experimental NMDA receptor modulators rapastinel (GLYX-13) and NRX-1074, both intravenous drugs that have shown efficacy and tolerability in Phase II studies.

“Rapastinel and NRX-1074 offer the potential for faster onset of action, equal or greater efficacy and a more favorable safety and tolerability profile than traditional antidepressants,” said David Nicholson, president of Global Brands R&D for Allergan. “If approved, they will provide a significant and complementary addition to our world-class CNS and mental health portfolio,” he said, further explaining Allergan’s interest.

The deal will also see Naurex’ platform for discovering drugs that enhance synaptic plasticity, or strengthen the network for neural cell communication, spin out into a separate entity just before the transaction closes, anticipated by year end.

Allergan and this new company will form a research alliance to discover and develop innovative small molecule NMDA receptor modulators for the treatment of certain psychiatric and neurologic disorders, with the former bagging first right to in-license a defined number of candidates for certain indications.

News of the deal comes as Allergan is alleged to be close to a pact with Teva which would see it jettison its generics business to the Israeli drugmaker for a whopping $45 billion, The Wall Street Journal reported Sunday.

[Link](http://pharmatimes.com/Article/15-07-26/Allergan_buys_Naurex_and_its_antidepressants_for_560m.aspx)

[Top](#_top)

# Pharmaceutical Business Review

**Allergan agrees to acquire Naurex for $560m**

July 27, 2015

Irish pharmaceutical firm Allergan has agreed to acquire US-based biopharmaceutical company Naurex for around $560m.

Of the total amount, Allergan will pay $460m upon closing of the deal, while $100m will be paid by 2016.

The deal will also include potential research and development (R&D) success-based and sales-threshold milestone payments.

Allergan's portfolio will now include Naurex's lead development product rapastinel (GLYX-13), a once-weekly intravenous Phase III-ready molecule that showed efficacy in multiple Phase II clinical studies in depression.

Naurex is involved in developing transformative therapies for challenging disorders of the central nervous system (CNS).

Allergan CEO and president Brent Saunders said: "We expect Naurex will enhance Allergan's mental health portfolio and build on our strategy to lead in this important therapeutic area.

"Naurex's unique pipeline comprises compounds that utilise a new mechanism to target areas of significant unmet medical need in major depressive disorder (MDD), including severe and/or treatment-resistant depression."

Naurex's discovery platform includes N-methyl-D-aspartate (NMDA) receptor modulators, including subtype-selective molecules that can treat a wide range of psychiatric and neurologic disorders.

Rapastinel is a new NMDA receptor modulator that is being developed as an adjunctive treatment for difficult-to-treat major depressive disorder.

The deal will see addition of another next-generation drug candidate into Allergan's portfolio, NRX-1074, an orally bioavailable drug candidate that is in Phase I studies.

The transaction, subject to customary closing conditions, is expected to complete by the end of this year.

[Link](http://manufacturing.pharmaceutical-business-review.com/news/allergan-agrees-to-acquire-naurex-for-560m-270715-4632053)

[Top](#_top)

# The Pharma Letter

**Allergan to acquire Naurex; rumored to be selling generics unit to Teva**

July 27, 2015

Ireland-incorporated Allergan on Sunday revealed its intention to acquire USA-based privately-held Naurex,…

*[Remainder of article is behind pay wall]*

[Link](http://www.thepharmaletter.com/article/allergan-to-acquire-naurex-rumored-to-be-selling-generics-unit-to-teva)

[Top](#_top)

# FirstWord Pharma

**Teva in negotiations to purchase Allergan's generic drug business for up to $45 billion: report**

By Joe Barber

July 26, 2015

According to people familiar with the matter, Teva has entered into negotiations to acquire Allergan's generic drug unit. The sources indicated that an agreement for the business, which is valued between $40 billion and $45 billion, could be reached as early as July 27.

Under the proposal, Allergan's generic drug business would be spun off and subsequently merged with Teva, the sources said. An earlier report indicated that Allergan was considering spinning off or selling all of its generic business following the completion of its merger with Actavis.

The news comes as Teva has been pursuing a potential takeover of Mylan. Earlier this week, an independent Dutch foundation set up by Mylan exercised an option to acquire preferred shares in the drugmaker. Meanwhile, the Dutch company has instead attempted to move forward with a takeover of Perrigo, a move that has been supported by Mylan's largest shareholder Abbott.

Bloomberg analyst Elizabeth Krutoholow suggested that the timing may be right for Allergan to consider a sale of its generics business, noting that “they may be able to command a significant premium given the recent interest in the sector.” Citing profit margins on branded products of as much as 80 percent, compared with about 50 percent for generics, Krutoholow noted that “with [CEO Brent] Saunders in charge, the company may lean more” to branded drugs “since that is his area of expertise. It’s a more attractive growth area for the company.” (BLOOM)

Bank of Jerusalem analyst Jonathan Kreizman explained that "this is exactly the same logic behind the Mylan acquisition and it touches on the trend wherein generic firms like Teva execute mergers as a counterweight to a drop in market share” and provide both a counterbalance and a better bargaining position with their customers. He added that "from what we know, Allergan's generics operation suits Teva better than Mylan's. Allergan is a firm that is not in direct competition with Teva with its leading products, as opposed to Mylan which is battling Teva on several fronts, like the generic version of Copaxone, which Mylan is trying to launch.” Further, he suggested that “it must be noted that here Teva is entering a friendly not hostile merger. It has implications for confidence over the short-term and in better integration in the long-run."

ISI Group analyst Umer Raffat agreed with Kreizman, noting that "theoretically, a Teva/Allergan generics business combo offers Teva the opportunity to get what it was looking for without having to go through Dutch courts." Migdal Capital Markets analyst Steven Tepper further noted that "the idea is to assure Teva continues to be the number one generics firm in the world, particularly in the US. The second element of the deal after completing the acquisition, Teva could streamline Allergan's generics operation, which these days had been pushed a bit to the side." He added that "I think this is a positive story, whatever happens. Teva is showing the leadership of Erez Vigodman and it is sending a signal to the market. This is the best timing to execute this deal. Now is the time to do it."

Meanwhile, it was announced Sunday that Allergan entered into a definitive agreement to acquire Naurex for $560 million, plus potential research and development and sales-based milestone payments. The acquisition will provide Allergan with access to Naurex’s therapies for disorders of the central nervous system, including rapastinel (GLYX-13), an intravenous drug that is moving into Phase III trials in depression and NRX-1074, an oral anti-depressant currently moving to Phase II trials.

[Link](http://www.firstwordpharma.com/node/1302040?tsid=28#axzz3h1dgOnZF)

[Top](#_top)

# Techie News

**Allergan to acquire Naurex in $560 million deal**

By Ravi Mandalia

July 26, 2015

Allergan and Naurex have inked a definitive agreement under which the former will acquire the latter for a $560 million upfront payment net of cash acquired.

Under the terms of the agreement, Allergan will be shelling out $460 million in cash upon the closing of the acquisition and $100 million of which is payable by January of 2016 (or upon the closing if the closing has not occurred by such time), as well as potential R&D success-based and sales-threshold milestone payments.

With the acquisition, Allergan will gain access to Naurex’s lead development product rapastinel (GLYX-13), a once-weekly intravenous Phase 3-ready molecule that has demonstrated rapid, robust and sustained efficacy in multiple Phase 2 clinical studies in depression.

Further, Allergan will also gain access to Naurex’s development product NRX-1074, a next-generation drug candidate, the intravenous form of which has shown rapid and robust antidepressant efficacy in an initial single-dose Phase 2 study.

Rapastinel and NRX-1074 are both targeted modulators of the N-methyl-D-aspartate (NMDA) receptor. Both therapies have been found to be well-tolerated in all studies to date, with no drug-related serious adverse events or any of the dissociative side effects typically seen with NMDA antagonists.

“The acquisition of Naurex is a great fit for Allergan and a compelling and exciting investment. We expect Naurex will enhance Allergan’s mental health portfolio and build on our strategy to lead in this important therapeutic area,” said Brent Saunders, CEO and President of Allergan. “Naurex’s unique pipeline comprises compounds that utilize a new mechanism to target areas of significant unmet medical need in Major Depressive Disorder (MDD), including severe and/or treatment-resistant depression. These highly differentiated compounds will immediately bolster our exceptional mental health pipeline.”

“Our team at Naurex has been successful in bringing these two highly innovative treatments for depression through proof-of-concept clinical trials,” said Norbert Riedel, Ph.D., President and CEO of Naurex. “We recognized that Allergan’s deep commitment and experience in mental health position them particularly well to progress these programs through further clinical development and into commercialization. This transaction also enables us to leverage our proven team and technology to continue innovating in this space through the spin-out of Naurex’s platform and initiation of a research collaboration with Allergan, a credible and committed partner in the field.”

[Link](http://www.techienews.co.uk/9738114/allergan-acquire-naurex-560-million-deal/)

[Top](#_top)

# theflyonthewall.com

**Allergan to acquire Naurex, plans research collaboration with Naurex spinoff**

July 26, 2015

Allergan and Naurex announced that they have entered into a definitive agreement under which Allerganwill acquire Naurex in an all-cash transaction. Under the terms of the agreement, Allergan will acquireNaurex for a $560M upfront payment net of cash acquired, $460M of which is payable upon the closing of the acquisition and $100M of which is payable by January 2016, or upon the closing if the closing has not occurred by such time, as well as potential R&D success-based and sales-threshold milestone payments. "Allergan remains committed to de-leveraging to below 3.5x debt-to-EBITDA by the end of 1Q16," the company added. "The acquisition will strengthen Allergan's long-term growth profile with the addition ofNaurex's lead development product rapastinel, or GLYX-13, a once-weekly intravenous Phase 3-ready molecule that has demonstrated rapid, robust and sustained efficacy in multiple Phase 2 clinical studies in depression.

The acquisition will also add Naurex's development product NRX-1074, a next-generation drugcandidate, the intravenous form of which has shown rapid and robust antidepressant efficacy in an initial single-dose Phase 2 study," said Allergan. The announcement notes that Naurex has built a platform for discovering drugs that strengthen the network for neural cell communication. Molecules discovered byNaurex achieve this through a novel mechanism that modulates the NMDA receptor. Immediately prior to the closing of the acquisition, Naurex will spin-out this discovery platform into a new company. Allergan and this new company will enter into a research collaboration focused on the discovery and early development of innovative small molecule NMDA receptor modulators for the treatment of certain psychiatric and neurologic disorders. Allergan will receive first right to in-license a defined number of drugcandidates resulting from the collaboration for certain indications. Pending approvals, Allergan anticipates closing the transaction by the end of 2015.

[Top](#_top)

# PE Hub

**Allergan to acquire Genesys-backed Naurex for $560 mln**

By KIRK FALCONER

July 27, 2015

**Allergan plc** (NYSE: AGN) has agreed to buy **Naurex Inc**, a biopharmaceutical company that is developing therapies for challenging disorders of the central nervous system. Under the terms of the deal, which is expected to close this year, Allergan will pay US$560 million in cash for the company. Based in Evanston, Illinois, Naurex has raised over US$160 million in venture capital funding since 2011, according to **Thomson Reuters**. Among its leading investors is Canadian venture capital firm **Genesys Capital**. Genesys [is currently raising its third fund](https://www.pehub.com/canada/2015/06/15/genesys-capital-leverages-strong-exit-multiples-in-launch-of-150-mln-fund-iii/), **Genesys Ventures III LP**, which is targeting $150 million in committed capital.

[Link](https://www.pehub.com/canada/2015/07/27/allergan-to-acquire-genesys-backed-naurex-for-560-mln/?utm_source=twitterfeed&utm_medium=twitter&utm_term=Canada&utm_content=Canada+briefs)

[Top](#_top)

# SmartBrief

**Naurex to be purchased by Allergan**

July 27, 2015

Naurex, including its two experimental antidepressants, rapastinel and NRX-1074, will be bought by Allergan in a deal worth $560 million. Under terms of the agreement, Naurex is also eligible for undisclosed potential milestone fees. The deal, which is expected to be completed within the year, would spin off Naurex's platform for the discovery of drugs that improve neural cell communication.

[Link](http://www.smartbrief.com/s/2015/07/naurex-be-purchased-allergan)

[Top](#_top)

# DIA Daily

**Teva Pharmaceuticals In “Advanced Talks” To Buy Generic Drug Unit Of Allergan For $45 Billion.**

July 27, 2015

Allergan Acquires Naurex For $560 Million, Focuses On Developing New Drugs. Bloomberg News (7/26, Hammond) reported that Allergan announced Sunday that “it would buy the biotech company Naurex Inc., which is developing a fast-acting antidepressant,” for $560 million. According to Allergan Chief Executive Officer Brent Saunders, the company believes the deal “will enhance Allergan’s mental health portfolio and build on our strategy to lead in this important therapeutic area.”

 The AP (7/26) reported that Allergan’s acquisition of Naurex and sale of its generic drug business to Teva “would move Allergan out of the highly-competitive generic drug business and allow it to focus on developing new drugs.”

[Link](http://mailview.bulletinhealthcare.com/mailview.aspx?m=2015072701dia&r=7550065-5909)

[Top](#_top)

# NeuroGram+

**Naurex**

By Harry Tracy

July 27, 2015

Over the weekend, Naurex announced that it had been acquired by Allergan (Actavis/Forest) for $560 million plus undisclosed milestones; Allergan is focused upon Naurex’s two clinical-stage Rapid-Acting-Antidepressant candidates, IV rapastinel/GlyX-13, and orally-bioavailable NRX-1074. NIR has been following this particular technology since 2003, through its iterations as Nyxis Neurotherapies and then Naurex; in fact the first time we invited Naurex to present GlyX- 13 as a ‘Top Partnering Opportunity’ at the TAP conference was back in 2010.

We must admit that at first, our reaction to the sale announcement was lukewarm: After all, this has been another year of an open door for IPOs, and if an Axovant could take in $362 million, what might the far-more-promising Naurex portfolio have garnered by going public? Surely a new CNS record could have been set. But Naurex knew that, and the decision to sell rather than go public was based on calculations that were less drama-laden, but more rational:

To take both rapastinel and NRX-1074 all the way through clinical development would have required an enormous investment in infrastructure-building. Naurex has remained a barely-larger-than-virtual company, and while such expansion could have been achieved, receiving $560 million plus undisclosed later milestone payments represents a healthy ROI for its shareholders, particularly as it comes prior to the expense and risk attached to Phase III trials and the regulatory maze. These hurdles, yet-to-be-surmounted, are the reason for the divergence between this upfront valuation and that seen for the lower-risk, lesser-potential of Avanir and Auspex, each of which sold for $3.5 billion.

The two other interesting considerations are these: Allergan just announced the sale of its generics business to Teva Pharma, and the acquisition of Naurex makes tangible their intention to keep CNS as a key component of their branded pharma agenda. Given the recent and ill-considered retreats from CNS by several formerly major pharma companies, it can only be good for the neuroscience area to have a company with resources and chutzpah add itself to the licensing/acquisition mix, and their Forest-legacy depression expertise guarantees a highly-competent clinical trial and commercialization process. But they are not looking to build an inhouse neuroscience research capability, and thus Naurex will spin out its preclinical assets, constituting a glutamatergic platform with potential in cognition and pain, into an independent company. The details on the latter are sketchy, other than Allergan will have right-of-first-refusal for several compounds, but we like the fact that there will be a small company, a ‘NuNaurex’, that will continue with its portfolio building, something that it could not have fostered had all of its energies and resources been funneled into late-stage clinical development. From a neuro ecosystem perspective, it is one of those elusive ‘win-win’ scenarios.

[Top](#_top)

# Notable Tweets

**[John Carroll](https://twitter.com/JohnCFierce)**[‏@JohnCFierce](https://twitter.com/JohnCFierce)

Allergan bags NMDA depression drug pipeline in $560M-plus Naurex buyout [http://www.fiercebiotech.com/story/allergan-bags-nmda-depression-drug-pipeline-560m-plus-naurex-buyout/2015-07-26 …](http://t.co/EznyPx3wHA)

[**John Carroll** ‏@JohnCFierce](https://twitter.com/JohnCFierce)

Updated the **Naurex** buyout story -- **Naurex** team keeps the platform and will start up a new biotech -- cool stuff [$AGN](https://twitter.com/search?q=%24AGN&src=ctag) [http://www.fiercebiotech.com/story/allergan-bags-nmda-depression-drug-pipeline-560m-plus-naurex-buyout/2015-07-26 …](http://t.co/EznyPx3wHA)

[**FierceBiotech** ‏@FierceBiotech](https://twitter.com/FierceBiotech)

Allergan bags NMDA depression drugs in $560M-plus **Naurex** buyout. [http://www.fiercebiotech.com/story/allergan-bags-nmda-depression-drug-pipeline-560m-plus-naurex-buyout/2015-07-26 …](http://t.co/nJstSGWmk1) by [@JohnCFierce](https://twitter.com/JohnCFierce) [$AGN](https://twitter.com/search?q=%24AGN&src=ctag)

[**Dana Mattioli** ‏@DanaMattioli](https://twitter.com/DanaMattioli)

As if the Teva-Allergan-Mylan-Perrigo sitch wasn't complicated enough, Allergan announced a deal to buy **Naurex** today [http://on.wsj.com/1S4leKz](http://t.co/IINAxKYrBb)

[**John Pletz** ‏@johnpletz](https://twitter.com/johnpletz)

.[@NorthwesternU](https://twitter.com/NorthwesternU) pharma spinout **Naurex** selling to [@Allergan](https://twitter.com/Allergan) for $560M. [http://www.chicagobusiness.com/article/20150726/BLOGS11/150729845/allergan-to-buy-evanston-pharma-startup-naurex …](http://t.co/csLhTq8CLO)

[**Crain's Chicago**‏@CrainsChicago](https://twitter.com/CrainsChicago)

Evanston drug startup **Naurex** to be acquired by Allergan for $560 million, via [@johnpletz](https://twitter.com/johnpletz) [http://trib.al/t4Sveey](http://t.co/8mUq4OF4N8)

[**Meg Tirrell** ‏@megtirrell](https://twitter.com/megtirrell)

[$AGN](https://twitter.com/search?q=%24AGN&src=ctag) to buy antidepressant maker for $560m in hopes of preventing suicides -- see [@matthewherper](https://twitter.com/matthewherper) story: [http://www.forbes.com/sites/matthewherper/2015/07/26/allergan-naurex-antidepressant/ …](http://t.co/OvKn6sL4Lv)

[**Robert West PhD** ‏@westr](https://twitter.com/westr)

“[@megtirrell](https://twitter.com/megtirrell): [$AGN](https://twitter.com/search?q=%24AGN&src=ctag) to buy antidepressant maker for $560m in hopes of preventing [#suicide](https://twitter.com/hashtag/suicide?src=hash) [@matthewherper](https://twitter.com/matthewherper): [http://www.forbes.com/sites/matthewherper/2015/07/26/allergan-naurex-antidepressant/ …](http://t.co/TCil20yGu3)” [#depression](https://twitter.com/hashtag/depression?src=hash)

[**Steven Dickman** ‏@cbtadvisors](https://twitter.com/cbtadvisors)

Best part of [$AGN](https://twitter.com/search?q=%24AGN&src=ctag) **Naurex** deal: Frees up Riedel and Moskal to discover new drugs in a startup [http://onforb.es/1VGVmUu](http://t.co/ooqTmfdVCQ) [@forbes](https://twitter.com/Forbes) [@matthewherper](https://twitter.com/matthewherper)

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[**Forbes** ‏@Forbes](https://twitter.com/Forbes)

Allergan will spend $560 million to purchase **Naurex**, a developer of antidepressants: [http://onforb.es/1ers0aT](http://t.co/bMWLAHU6mU)

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[**Forbes** ‏@Forbes](https://twitter.com/Forbes)

"Depression remains one of the largest unmet areas of medical need." [http://onforb.es/1IpamjX](http://t.co/6Zoc9952u9)

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[**GEN** ‏@GENbio](https://twitter.com/GENbio)

Teva spending $40.5B for generics of Allergan, which is buying **Naurex** for $560M+. [http://ow.ly/Q88Mf](http://t.co/u1tbLu8NhQ)

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[**Jason Napodano, CFA** ‏@JNapodano](https://twitter.com/JNapodano)

[$AGN](https://twitter.com/search?q=%24AGN&src=ctag) paid $560M for a P3-ready CNS asset (novel mechanism for depression) >> [http://www.allergan.com/NEWS/News/Thomson-Reuters/Allergan-to-Acquire-Naurex …](http://t.co/XFaQO98vWH) // This is a nice comp for [$CUR](https://twitter.com/search?q=%24CUR&src=ctag) (in P2)

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ICYMI: UPDATED: Allergan bags NMDA depression drugs in $560M-plus **Naurex** buyout [http://www.fiercebiotech.com/story/allergan-bags-nmda-depression-drug-pipeline-560m-plus-naurex-buyout/2015-07-26 …](http://t.co/EznyPx3wHA)

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[**Mandy Jackson** ‏@ScripMandy](https://twitter.com/ScripMandy)

Allergan paying $560m for **Naurex**; stays quiet on rumored generics sale to Teva: [http://bit.ly/1U1CfCD](http://t.co/Etn4ivvRAk) (Scrip subscribers) [$AGN](https://twitter.com/search?q=%24AGN&src=ctag)

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[**Steve Gould** ‏@SAGouldMD](https://twitter.com/SAGouldMD)

Kudos to a Great Team: Allergan to Acquire **Naurex** for $560 Million Cash [http://on.wsj.com/1LLNyMv](http://t.co/C4tE9ZxDSv)

[**Alex Philippidis** ‏@AlexWestchester](https://twitter.com/AlexWestchester)

Deals-apalooza! [@tevapharm](https://twitter.com/tevapharm) spending $40.5B for generics of [@Allergan](https://twitter.com/Allergan), which is buying [#**Naurex**](https://twitter.com/hashtag/Naurex?src=hash) for $560M+. [@GENbio](https://twitter.com/GENbio): [http://bit.ly/1S7z8vy](http://t.co/htCQKZQ8Ak)

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[**INVO** ‏@INVOatNU](https://twitter.com/INVOatNU)

Allergan to acquire Evanston drug firm [#NUstartup](https://twitter.com/hashtag/NUstartup?src=hash) **Naurex** (McC Prof. Joseph Moskal) [https://shar.es/1sERh0](https://t.co/VNN2jY8iaE) [@NU\_McCormick](https://twitter.com/NU_McCormick)

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[**John Pletz** ‏@johnpletz](https://twitter.com/johnpletz)

Why a $560M sale to [@Allergan](https://twitter.com/Allergan) is just the beginning, not the end, for team of [@NorthwesternU](https://twitter.com/NorthwesternU) spinout [#**Naurex**](https://twitter.com/hashtag/Naurex?src=hash). [http://www.chicagobusiness.com/article/20150726/BLOGS11/150729845/allergan-to-buy-evanston-pharma-startup-naurex …](http://t.co/csLhTq8CLO)

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[**Luke Timmerman** ‏@ldtimmerman](https://twitter.com/ldtimmerman)

Allergan To Buy Antidepressant Maker For $560M [http://onforb.es/1VGVmUu](http://t.co/Wf0yNZ4Nbn) By [@matthewherper](https://twitter.com/matthewherper) I covered this startup in Jan [http://www.forbes.com/sites/luketimmerman/2015/01/27/depression-has-stymied-big-drugmakers-but-little-naurex-is-moving-ahead/ …](http://t.co/0FVlGK48s7)

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[**Blue Sky Innovation** ‏@ChicagoBlueSky](https://twitter.com/ChicagoBlueSky)

$560 million. That's how much [@Allergan](https://twitter.com/Allergan) is paying for **Naurex**. via [@megancgraham](https://twitter.com/megancgraham) [http://fw.to/eFdjLSe](http://t.co/gRy8yp6lY7)

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[**Chicago Inno** ‏@ChicagoInno](https://twitter.com/ChicagoInno)

Following its $560M acquisition, [@NorthwesternU](https://twitter.com/NorthwesternU) depression drug startup **Naurex** launches a spin out research company: [http://chicagoinno.streetwise.co/2015/07/27/naurex-acquired-by-allergan-spins-out-new-company/ …](http://t.co/LN4g7gVgm3)

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[**BioWorld Today** ‏@BioWorld](https://twitter.com/BioWorld)

[$AGN](https://twitter.com/search?q=%24AGN&src=ctag) sheds generics to focus on innovative drugs; bolt-on deal lands late-stage depression drug in $560M **Naurex** buy [http://bit.ly/1ggcZu4](http://t.co/47PfUAJUWX)

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[**Chicago Inno** ‏@ChicagoInno](https://twitter.com/ChicagoInno)

A [#**Naurex**](https://twitter.com/hashtag/Naurex?src=hash) drug helped alleviate symptoms of depression in two hours for some patients. Phase 3 trials start 2016: [http://chicagoinno.streetwise.co/2015/07/27/naurex-acquired-by-allergan-spins-out-new-company/ …](http://t.co/LN4g7hcRdB)

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[**NU Engineering** ‏@NU\_McCormick](https://twitter.com/NU_McCormick)

Allergan acquires [#Northwestern](https://twitter.com/hashtag/Northwestern?src=hash) startup **Naurex**, culminating decades of neuropharmaceutical research by Joseph Moskal. [http://bit.ly/1GVLY4c](http://t.co/oECwVwHmBH)

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[**Marie Powers** ‏@mariempowers](https://twitter.com/mariempowers)

Update: [$AGN](https://twitter.com/search?q=%24AGN&src=ctag) sheds generics unit for branded focus in $40.1B [$TEVA](https://twitter.com/search?q=%24TEVA&src=ctag) deal, 'tucks in' **Naurex** for $560M [http://bit.ly/1giSI7e](http://t.co/lZipWzWZ9A) via [@BioWorld](https://twitter.com/BioWorld)

[**BioWorld Today** ‏@BioWorld](https://twitter.com/BioWorld)

Update: [$AGN](https://twitter.com/search?q=%24AGN&src=ctag) sheds generics unit for branded focus in $40.1B [$TEVA](https://twitter.com/search?q=%24TEVA&src=ctag) deal, 'tucks in' **Naurex** for $560M [http://bit.ly/1giSI7e](http://t.co/NWXHDD8kQk)

[**BioCentury** ‏@BioCentury](https://twitter.com/BioCentury)

Allergan acquires **Naurex**, divests generics to Teva [http://www.biocentury.com/dailynews/topstory/2015-07-27/allergan-acquires-naurex-divests-generics-to-teva?utm\_source=Twitter&utm\_campaign=auto\_social&utm\_medium=web …](http://t.co/xYrA5UJAjC)

[Top](#_top)