



Roche completes Genentech buy

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The DNA has been removed from Wall Street.

On Friday, shareholders that looked for this catchy three-digit ticker symbol for biotechnology giant Genentech came up empty as it was removed from the New York Stock Exchange after the deal by Roche to acquire it was complete.

Genentech's shares final close price on Thursday was \$94.97. Roche already owned 56 percent of Genentech and agreed to buy the remainder of the shares for \$95.

Switzerland's Roche first became part of Genentech in 1990 when it gave financial assistance by spending \$2.1 billion to acquire a majority stake. Now 19 years later, a minority stake will come at a price tag of nearly \$47 billion.

Genentech was founded in 1976 by venture capitalist Robert Swanson and biochemist Herbert Boyer.

"It's the end of an era to the original biotech company," said Matt Gardner, president of biotech nonprofit BayBio.

Roche said its U.S. pharmaceutical operations will move from Nutley, N.J., to Genentech's site in South San Francisco, which will become the headquarters of the company's domestic drug operations and continue to operate under the Genentech name.

Roche already has divisions of its company in both Palo Alto and Pleasanton.

Hints of what would become of Genentech's top brass, including Art Levinson, its chief executive, were not disclosed Friday.

As for how the staff from the two sides would be integrated, an e-mail to employees said, "It is too early in the process to provide additional details about how these changes will affect employees."

Genentech was the first to pioneer the field of recombinant DNA technology.

In a separate announcement Friday, federal health regulators said Friday it's unclear whether Roche's blockbuster cancer drug Avastin significantly shrinks the deadliest type of brain tumor.

The Food and Drug Administration is reviewing the company's drug for patients with recurring glioblastoma multiforme, a form of brain cancer that is generally fatal within six months.

The company has asked the FDA to give its drug accelerated approval. That designation gives market access based on promising early results. However, regulators said in documents posted online that they are unsure that the company's results are strong enough to rush out the new medication.

The company's application relies on imaging scans that claim to show a reduction in tumor size. In two separate studies, Genentech reported that roughly 25 percent and 20 percent of brain cancer patients responded successfully to the drug.

However, FDA reviewers said they have never used "response rate" as a measurement to grant accelerated approval for a drug to treat glioblastoma multiforme. They noted the difficulty of measuring tumor size via medical imaging.

Avastin is known to decrease swelling caused by excess fluid in the brain, which could give the false impression of tumor reduction, reviewers noted.