

Pfizer continues advancement into vaccines business. Now gathering technologies but will soon need antigens.

LONDON, UK---19 November 2007---ExpertREACT. VacZine Analytics, a new strategic research agency focused on vaccine market analysis discusses the continued advancement of pharmaceutical giant Pfizer into the vaccines business.

On the 16th November pharmaceutical giant Pfizer announced that it made steps to acquire Massachusetts's based Coley Pharmaceutical Group (CPG). CPG, founded in 1997, is focused on immune enhancing molecules, which stimulate Toll-like receptors (TLRs). The company has previously been in partnership with Pfizer relating to TLR9 agonists in cancer and through its adjuvant Vaximmune, has product development research and license agreements with the majority of the major vaccine players.

CPG was valued at \$164 million where Pfizer would pay cash for all of the outstanding common stock for \$8 per share. Major shareholders who hold 27% of the company also agreed to sell their shares in the offer.

Pfizer like many other large pharmaceutical companies is currently undergoing a radical strategic review. The review led by the new CEO, Jeffrey B. Kindler is undoubtedly in response to an industry wide trend calling for a higher value more robust business model driven by innovation rather than sales and marketing "push". In October the company appointed Dr Martin Mackay as its new president of global research and development (PGRD) who launched a new biotherapeutics and bioinnovation center to be based in the San Francisco Bay area. The center is to be focused on biotherapeutics and bioinnovation lessening the company's reliance on small molecule drugs, which have been ravaged by genericization over recent years. The center will be led by the eminent Dr Corey Goodman who previously co-founded two biotech companies, Exelixis and Renovis.

Alongside Pfizer's push for biotherapeutics is also the company's commitment to enter the fast-growing vaccines business. This would mirror a similar strategy followed by Swiss rival Novartis which acquired Chiron in 2006. The acquisition of Coley is the third major vaccine-related acquisition for Pfizer after an initial takeover of UK based PowderMed Ltd in October 2006 and then Embrex Inc in November of the same year. Both of these early acquisitions were also vaccine technology based albeit more focused on delivery systems.

Acquiring new technologies to improve prophylactic vaccines has been a "hot topic" within the industry for quite some time. For example, a new delivery system beyond the standard needle can improve product compliance and in some cases make the subsequent immune response more relevant; hence the case study with MedImmune's Flumist intranasal influenza vaccine. New adjuvants can also enhance product performance making an immune response more powerful or indeed more attuned to a particular type of response known as "Th1" which is critical for clearance of certain infectious pathogens.

In terms of gathering the building blocks for a vaccines business of the future, Pfizer's acquisitions make sense and follow the current industry dynamic. For example, GSK has invested heavily in new adjuvants with notable alliances with US based Antigenics and Corixa Corporation for QS21 and MPL adjuvants respectively (April 2005). Wyeth and Novartis have accessed Austria based Intercell AG's IC-31, which is a new generation oligonucleotide-peptide based adjuvant. Lastly, Merck & Co signed a collaboration with Cambridge based Idera (December 2006) again for adjuvants based on the TLR system. All companies have recognised the potential application of new adjuvants to therapeutic as well as prophylactic vaccines.

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In order to bring innovative new vaccines to the market, Pfizer also needs to gain access to proprietary antigens as well as platform technologies. These should be in areas not only of unmet medical need, but also of growing commercial interest. Although the company is currently building R&D capability in vaccines research, it will be quite a few years before the company delivers a fully developed "Pfizer" vaccine to the market. It is also worth noting that any of large vaccine players could have also acquired Coley, Powdermed or Embrex if they thought the technologies were of sufficient value to their business.

VacZine Analytics believes Pfizer might next make an acquisition focused on a small licensed vaccine product. This would allow the company to build capability around sales, marketing and distribution of vaccines. All of these functions have a unique set up when compared to pharmaceuticals and important relationships take some time to build. Pfizer's gradual move into building a vaccines business will be undoubtedly watched by its market rivals.

For more information about this research please visit www.vacZine-analytics.com
Or e-mail us at info@vacZine-analytics.com

About VacZine Analytics:

VacZine Analytics is a new strategic research agency based in the United Kingdom. Its aim is to provide disease and commercial analysis for the vaccine industry and help build the case for developing new vaccines.

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