

Alder bags \$1B RA licensing deal for lead drug

*By John Carroll
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Alder Biopharmaceuticals has scored a \$1.07 billion licensing deal with Bristol-Myers Squibb for its IL-6 inhibitor for rheumatoid arthritis, ALD518.

Under the deal Alder gets \$85 million upfront, up to \$764 million in development and regulatory milestones and \$200 million in sales milestones, along with royalties. And in the event Alder pulls off an IPO, BMS can be required to make a \$20 million equity investment in the Bothell, WA-based biotech. BMS gets worldwide development rights for all indications aside from cancer.

"We're watching the markets the way everybody else is," Randall C. Schatzman, Ph.D., president and chief executive officer of Alder, tells FierceBiotech, but don't look for any

quick IPO. "This (deal) puts us in good shape for a couple of years." In the meantime, he says, a Phase IIb trial is in the works, the company is advancing plans for a new formulation of the drug that can be self-administered by RA patients and one of its preclinical programs should get into the clinic in 2010. Alder is keeping a lid on expenses, he adds, but there will likely be some new hires ahead as well.

ALD518, Alder's lead drug, has successfully completed a Phase IIa trial for rheumatoid arthritis. And last summer researchers for the company said that it proved effective in reducing severe fatigue for advanced cancer. The developer has raised \$67 million in venture funding over the past five years and boosted its staff after wrapping a \$40.2 million round near the beginning of 2008.