

# Achillion Pharmaceuticals, Inc.

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## Achillion crumbles as FDA keeps hold on Hepatitis C drug

Achillion Pharmaceuticals Inc. (NASDAQ:ACHN), a U.S. drug developer, lost half of its market value in early trading after regulators decided not to lift a clinical hold they had placed on the company's experimental hepatitis C drug, sovalprevir, because of abnormal liver results.

Achillion shares tumbled 52 percent to \$3.47 at 9:34 a.m. in New York, leaving the company with a market value of \$338.25 million.

The U.S. Food and Drug Administration determined the compound's development shouldn't resume after the company responded to all the issues raised by the agency in June, the New Haven, Connecticut-based company said in a statement after markets closed on Sept. 27.

"While we are disappointed that we were not able to resolve the clinical hold at this time despite having addressed all the issues," Achillion's Chief Executive Milind Deshpande said in the statement, "we believe the breadth of our portfolio allows us to quickly advance other all-oral combination regimens for the treatment of HCV."

The company said it will focus on other hepatitis C drugs in its portfolio, with results of a planned combination study of two medications by next year.

Hepatitis C is a virus that can lead to life-threatening liver damage and is the main cause of liver transplants in the U.S. Hepatitis C is estimated to affect 170 million people worldwide.

Achillion is competing with drugmakers including Vertex Pharmaceuticals Inc. (NASDAQ:VRTX), AbbVie Inc. (NYSE:ABBV) and Gilead Sciences Inc. (NASDAQ:GILD), the world's largest maker of HIV medicines, to develop new treatments for Hepatitis C.

Achillion shares were lowered by Piper Jaffray Cos. to "neutral" from "overweight" in a research note issued today. The stock was also downgraded at Bank of America Corp. to an "underperform" rating from a "neutral" rating. JMP Securities, in turn, lowered the shares to "market perform" from "outperform."

JPMorgan Chase & Co. downgraded the stock to a "neutral" rating from an "overweight" rating. JPMorgan also lowered its price target on the shares to \$4.00 from \$12.00.

### 1 Year Share Price Graph



### Share Information

**Code:** ACHN  
**Listing:** NASDAQ  
**Sector:** Medical technology & services  
**Website:** [www.achillion.com](http://www.achillion.com)

### Company Synopsis:

*Achillion Pharmaceuticals, Inc. (Achillion) is a biopharmaceutical company focused on the discovery, development and commercialization of treatments for infectious diseases. Within the anti-infective market, the Company focuses on the development of antivirals for the treatment of chronic hepatitis C and the development of antibacterials for the treatment of resistant bacterial infections.*

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