

Novo Diabetes Treatment Reduces Blood Sugar, Weight

By Frances Schwartzkopff

Aug. 20 (Bloomberg) -- Novo Nordisk A/S, the world's biggest insulin maker, said its experimental diabetes treatment improves patients' health more than two competing medicines. The stock climbed the most in three months.

The product, liraglutide, helped reduce blood sugar levels and weight more than GlaxoSmithKline Plc's Avandia and Sanofi- Aventis SA's Amaryl, when the drugs were taken in conjunction with a common diabetes pill, metformin, in late-stage trials, Bagsvaerd, Denmark-based Novo Nordisk said today. Patients also had fewer episodes of too little sugar, also a health danger.

Liraglutide is Novo Nordisk's most advanced diabetes drug in development, and the Danish company hopes to begin selling it in the U.S. and Europe in 2009, before the expiration of patents on its insulin analogues. Analogue sales grew by 29 percent in the second quarter, to account for one-third of all revenue. Today's results follow on the heels of June study that found liraglutide worked better than Sanofi's Lantus insulin.

"We've seen the results from three tests now, and it's panning out very well," Henrik Simonsen, analyst at SEB Enskilda, said in a telephone interview. "It is the most important project for the next five to 10 years."

Novo Nordisk shares rose 35 kroner, or 6.2 percent, to 602 kroner at the close of trading in Copenhagen. The stock has gained 28 percent since the start of the year.

Natural Protein

Liraglutide is a manufactured version of GLP-1, a naturally occurring protein that stimulates the pancreas to produce insulin when blood sugar levels are too high. Novo Nordisk's version may also be a potential treatment against obesity, and the company earlier this year began testing its safety and efficacy in about 500 people.

In the late-stage trial against the active ingredients in Avandia and a placebo, liraglutide lowered blood sugar levels by as much as 18 percent among some patients, as measured by the amount of molecules in red blood cells that had glucose attached. Participants started with blood sugar levels of about 8.5 percent, which fell as much as 1.5 percentage points.

Changes in blood sugar levels among patients taking liraglutide were about equal to those patients on Amaryl, though patients taking Novo Nordisk's drug lost more weight and had fewer episodes of hypoglycemia, the company said.

Weight Loss

Patients also lost between 2 and 4 kilograms (4 and 9 pounds), Novo Nordisk said. More than 2,100 patients who weighed as much as 90 kilograms and whose diabetes wasn't being controlled by one or two oral antidiabetic drugs participated in the 26-week study.

“We've been superior to Lantus and to Avandia and on par with Amaryl, and in terms of body weight, liraglutide has shown statistically significant benefits against all three drugs,” Mads Krosgaard Thomsen, Novo Nordisk's chief science officer, said in an interview.

Avandia was the top diabetes pill and Glaxo's second-biggest drug with sales of \$3.3 billion worldwide, until a May report in the *New England Journal of Medicine* that said the drug may raise the risk of heart attacks by 43 percent.

What remains to be seen is whether liraglutide is effective alone, Nigel Birks, analyst at Dresdner Kleinwort, said in a telephone interview. Novo Nordisk is testing liraglutide as a sole treatment, and the results “will be the ones that could change the market's mind,” he said.

Without positive results as a standalone therapy, liraglutide will be one of many competing insulin alternatives already on the market, he said. Those include Eli Lilly & Co.'s Byetta, which mimics the effects of the GLP-1 hormone, Merck & Co.'s Januvia, and Novartis AG's Galvus.