

# FDA Warning Is a Blow to Amgen

'Black Box' Label

On Anemia Drugs

Also Hits J&J

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*March 10, 2007*

<http://online.wsj.com/article/SB117346392768132402-search.html?KEYWORDS=procrit&COLLECTION=wsjie/6month>

The Food and Drug Administration issued a sweeping safety warning about heart and cancer risks that arise from overuse of a family of anemia treatments that is the biotech industry's biggest drug class with \$7.3 billion in U.S. sales in 2006.

The agency's safety advisory -- a so-called "black box warning" on the labels of all drugs in the class, called Erythropoiesis Stimulating Agents - - came sooner than analysts expected, two months ahead of a scheduled FDA advisory meeting to discuss risks on May 10. The move comes as the FDA is under pressure from Congress to show that it is focusing on drug safety, in the wake of a series of incidents including the market withdrawal of the painkiller Vioxx.

Hardest hit by the new warning is **Amgen** Inc., Thousand Oaks, Calif. The biotech giant alone accounted for \$5.3 billion in U.S. sales from its best-selling products Aranesp and Epogen in 2006. **Johnson & Johnson's** Procrit fetched another \$2 billion in U.S. sales. Roche Group AG, Basel, Switzerland, plans to launch its rival product, Cera, this spring despite a bitter patent battle with Amgen that has divided the onetime partners.



FDA officials said the black box was sparked by recent studies that have pointed to risks tied to the drugs, particularly when doctors used them for very aggressive treatments. Karen Weiss, deputy director of the agency's office of oncology drug products, said the "bulk of the data that has raised concerns" came when patients were given higher-than-recommended doses, whether they were suffering from anemia tied to kidney problems or cancer treatment. The evidence is that "this type of strategy is not beneficial and in fact has some evidence of harm," she said.

"Patient safety is unquestionably our top priority," said Amgen's executive vice president of research and development, Roger Perlmutter, vowing the company was committed to giving doctors and patients timely safety updates.

But mounting safety questions have intensified in the last two months. Those studies sent Amgen shares tumbling from its 52-week high of \$77 to near \$61, and vaporized \$18 billion in market capitalization from the biotech sector's biggest player.

Friday, Amgen shares were down \$1.31, or 2.1% to \$60.86 in 4 p.m. trading on the Nasdaq Stock Market. For Johnson & Johnson, of New

Brunswick, N.J., Procrit represents a much smaller portion of its business; its shares edged up 42 cents to \$62.14.

Gene Mack of HSBC Securities in New York said the FDA warning -- which so far only affects categories of use not approved by the label -- could take a 10%, or \$700 million, bite Amgen's annual sales this year.

The FDA's alert advises doctors treating anemia in patients with kidney disease or cancer not to push hemoglobin levels in the blood over 12 grams per deciliter of blood. Tests for the level of hemoglobin -- the protein in red blood cells that binds with oxygen -- measure the oxygen-carrying capacity of the blood.

Pushing hemoglobin to levels as high as 13, 14, or 15 -- done by physicians acting on their own against label recommendations or by researchers testing benefits of more intense treatment -- carries a heightened increased risk of death, or serious cardiovascular events. It also may lead to faster tumor progression of head and neck cancer in patients on radiation, as well as shorter survival and increased deaths of advanced breast cancer patients receiving chemotherapy.

Plaintiffs attorneys are already looking into possible suits. "When you have a corrective action by this FDA, it's not just smoke," says plaintiffs' attorney Mike Papantonio of Levin Papantonio Thomas Mitchell Echsner & Proctor, in Pensacola, Fla.

The class of drugs are used by close to a million U.S. patients for anemia, or deficiency of red blood cells that can occur as a side effect of cancer chemotherapy, kidney disease and dialysis. In addition, some doctors and researchers have used the drugs for anemia caused by tumors themselves -- a category of use now considered off-label and risky to patients.

While financial markets were caught off guard, Amgen's Chief Executive Kevin Sharer said he wasn't surprised by the move because the firm has been working to revise the product labels.

The FDA also said that marketing claims that the drugs improve patients' quality of life by reducing fatigue and other conditions will have to be reviewed, and in some cases should stop. In cancer patients, the agency never approved such claims for labeling, while the agency will re-examine the data that led to their approval for kidney patients because FDA standards have changed, said Richard Pazdur, director of the FDA's office of oncology drug products.

A tagline claiming that a drug could help a cancer patient find energy "would not be appropriate at this time," he said. More generally, he added, "we are relooking at the quality of the data that substantiated those marketing claims."

At Johnson and Johnson's Ortho Biotech unit, a spokeswoman said the company will make sure new information is reflected in its marketing materials. As recently as last Sunday, a cached version its Web site said Procrit could offer chemo patients "energy and strength" -- a claim which the spokeswoman said was consistent with the label at the time.

Amgen's Mr. Sharer Friday contended his company never claimed the drugs offered survival advantages, or improved quality of life, but stuck to promoting the drugs on the basis that they helped patients avoid blood transfusions.

**--Avery Johnson and Heather Won Tesoriero contributed to this article.**

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