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InterMune receives welcome European approval gift for Esbriet

An earlier-than-anticipated and on the whole unexpected approval recommendation in Europe for InterMune's Esbriet (pirfenidone) sent the company's stock skyrocketing 145% on Friday. The company now appears to be on the road to recovery, after the idiopathic pulmonary fibrosis (IPF) treatment drug was rejected by US regulators earlier this year (*Intermune left gasping by FDA rejection of pirfenidone, May 5, 2010*).

With nearly $300m in the bank InterMune is well-placed to commercialise alone; a first launch in Germany is expected in the third quarter of 2011. No word has emerged yet from discussions with the FDA and its US strategy; more clarity will be given in the first quarter. InterMune says it is pleased with its European label and will hire 125 management and marketing staff to support the launch. Approval would provide a new treatment option for European patients who have never seen an effective drug for this fatal disease, and a potential blockbuster for InterMune.

Unmet need

IPF is an inflammatory lung disease with huge unmet need. Its trigger is not definitely known, but results in uncontrolled fibrosis – scarring – of lung tissue, which progressively worsens. The survival rate is worse than most cancers, and treatment options are scant (*Little left to lift spirits in IPF field, May 19, 2010*).

In Europe 110,000 patients are currently diagnosed, 70% of which have mild-to-moderate disease, Esbriet's primary population. The company believes the European IPF market is worth $3bn in total, slightly more than the US market.

Esbriet, known generically as pirfenidone, is an antifibrotic, a logical mechanism of action for a drug to treat a major unmet medical need, factors that InterMune thinks will play well in reimbursement discussions. It showed modest efficacy in phase III Capacity-1 and Capacity-2 trials; only in the second trial did it significantly meet its endpoints of increasing forced expiratory vital capacity, a measure of lung function thought to be a sticking point for the FDA, and progression-free survival.

How the FDA wants the company to progress is still unclear, although another trial is likely to be required, possibly measuring overall survival. In Europe, Esbriet's relatively clean safety profile is thought to have swung the decision, the company believes, with the agency concluding the benefits outweigh the risks.

Europeans more sympathetic

On a conference call last week, InterMune's chief executive Dan Welch said the European regulator's list of questions were "virtually identical" to those of the FDA, theorising that the region tends to be much more sympathetic to orphan drugs than the US.

The CHMP's recommendation came several months early, a decision which, according to Mr Welch, was "unprecedented".

"We believe this speaks well of the quality of our [marketing application], the strength of the efficacy and safety results," he said. "We also believe this reflects the recognition by the CHMP of the acute unmet medical need for a new medicine."

Follow-on requirements from the EMA including a pharmacovigilance plan were alluded to but not specified. Mr Welch stressed these were related to safety monitoring, and not "economically troublesome", with no commercial restrictions to be put in place, as happened in Japan following its 2008 launch there by partner Shionogi - the country's Ministry of Health imposed a surveillance programme to monitor safety, restricting access to the drug to certain hospitals and patients, as approval was based on the results from just one phase III trial.

The company will now embark on a big European marketing push. Establishing headquarters in Basel, Switzerland, it will employ new management and sales staff, including Dr Frank Weber as EU Medical and Global Medical Advisor, a central player in securing EU reimbursement for Erbitux for Merck Serono.

Given physician and patient demand for an effective medicine for IPF, InterMune reckons it can secure reimbursement for the $40,000-45,000 per patient per year therapy, even with the notoriously cost-conscious UK watchdog, Nice.

Blockbuster territory?

Understandably given the setback in the US, analyst forecasts have changed wildly for Esbriet during the course of this year. *EvaluatePharma* consensus for global sales in 2014 was $859m prior to the FDA's rejection, but currently stands at a mere $98m. Opinions varied widely - for example, analysts at Morgan Stanley and JP Morgan predicted zero sales for Esbriet, and some, such as Oppenheimer, forecasted nearly $500m – an indication of the uncertainty surrounding this drug.

As such, a few new forecasts and upgrades could now see consensus start to rise substantially, and towards blockbuster territory once again.

InterMune plans to commercialise alone in Europe, but with big pharma interest in rare diseases growing, takeover talk has already emerged. This could also have contributed to the rocketing share price rise; the stock was trading at $35.60 this morning, pushing InterMune's market value through the $2bn mark.

The path forward might still be foggy in the US, but this news certainly marks a revival for InterMune.