

Novartis who?

At the beginning of March came the unexpected announcement of the merger of the two Swiss multinationals, Ciba-Geigy and Sandoz, to form the new company – Novartis – which, at a stroke, has become number two in the world pharmaceutical company ranking. This is the latest in a long series of mergers that, ironically, started with that of Ciba and Geigy way back in 1970.

The reasons for the union are not hard to uncover and are basically the same as those that drove together Glaxo and Wellcome, Roche and Syntex, and others; bigger may not be beautiful but it makes sense in the boardroom. The Chairman of the new company will be Alex Krauer, present Chairman of Ciba, and the executive committee of Novartis will be headed by Daniel Vasella, the present CEO of Sandoz, who will also have the title of President.

Although both companies have been making money, neither has had a really successful blockbuster in recent years. Ciba-Geigy is still earning a significant proportion of its income (1995 sales of \$1.3 billion) from the nonsteroidal anti-inflammatory agent, Voltarol (diclofenac sodium), which was developed in the early 1970s, and Sandoz has clocked up a healthy \$1.2 billion with Sandimmun® (cyclosporin) in the same period. However, the new company will have more than 90 major projects in development. There will be large-scale restructuring, and sources in Basle report that about 3,000 jobs will go. Although this loss is probably inevitable, it will be very hard for staff to find alternative work in Switzerland. It also remains to be seen how the merger will be viewed politically, because Switzerland is becoming increasingly concerned about US and

UK management strategies, which involve a degree of corporate blood-letting not normally seen there. In an unprecedented move, Krauer and Vasella appeared together on Swiss television to be grilled by a panel of politicians, businessmen and others about the implications of the merger.

One of the most intriguing aspects of the merger is the choice of the name 'Novartis'. At first hearing, it sounds more like the name of an underarm deodorant or aftershave, but it seems that the London-based company Siegel & Gate Ltd were hired to come up with a new name that would be acceptable internationally, with no undesirable or snigger-provoking connotations in far-off lands. Sensibly, they adopted a classical approach, with *novo* meaning new and *artis*, skills, hence 'new skills' or 'innovation'. Still, after a few days the name seems to grow on you and, let's face it, we are all now quite at home with 'Zeneca'.

David B. Jack

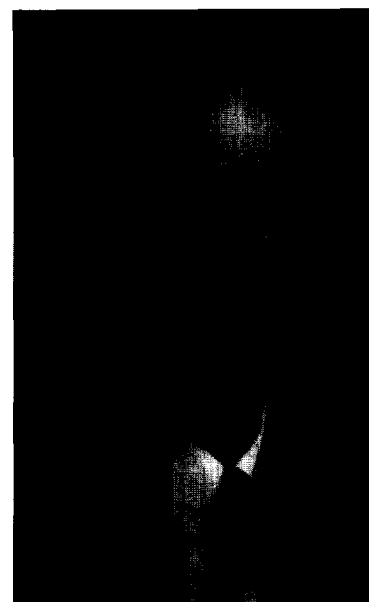
Cerebrus – contract CNS discovery research

A new discovery research centre has been initiated in the UK to address the expanding opportunities offered by the CNS drug market. The CNS disorders represent one of the largest areas of unmet medical need, and the market for drugs in this area is growing at an annual rate of around 10–20% across the world. Dr Chris Evans, the biotechnology entrepreneur, has teamed up with five leading neuroscientists, all former Wyeth employees, to create Cerebrus, and Schroder Ventures have provided first-round financing of the project to the tune of £2.4 million in return for a 50% shareholding.

The company, based in Ascot, UK, will offer pharmaceutical companies access to its range of CNS biological screening mod-

els on a contract basis while fast-tracking a series of its own discovery research projects. Cerebrus aims to bring to bear the team's expertise in biological models of psychiatric disorders, eating disorders and neurodegeneration together with state-of-the-art computer-aided drug discovery techniques and extensive experience in medicinal chemistry to drive a programme of CNS drug discovery and early development. The aim is to generate high-quality biological leads and to progress these leads to late stage preclinical development before entering into licensing agreements with major players.

According to Dr Colin Dourish, General Manager of Cerebrus, "Cerebrus offers the largest range of CNS contract services



Dr Colin Dourish, General Manager of Cerebrus.