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## Teva raises stake in diabetes treatment developer

Mon, Jun 14 2010

TEL AVIV, June 14 (Reuters) - Teva Pharmaceutical Industries (TEVA.O: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)) has exercised an option to raise its stake in Andromeda Biotech, which is developing a treatment for juvenile Type I diabetes, Clal Biotechnology Industries (CBI.TA: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)) said on Monday.

Following the deal with Teva (TEVA.TA: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)), Clal's stake in Andromeda will fall to 84 percent from 89 percent. Teva's share will rise to 16 percent.

According to the agreement, Teva and Clal will invest \$17.5 million in Andromeda, of which \$5.6 million will come from Clal and the rest from Teva. The money will be used to finance a confirmatory Phase III clinical trial to obtain marketing approval for DiaPep277 in Europe and the United States.

The deal values Andromeda at \$170 million, Clal said.

Teva, the world's biggest generic drugmaker, last year received worldwide marketing rights for DiaPep277, whose market is estimated at hundreds of millions of dollars a year.

DiaPep277 is a unique peptide that prevents the destruction of insulin producing cells in the pancreas.

Once the drug is approved for marketing in Europe, Teva has an option to invest \$44 million at a company valuation of \$480 million, and when it is approved in the United States Teva can invest \$52 million at a company valuation of \$555 million.

(Reporting by Tova Cohen; editing by Simon Jessop)

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