



BioPartnering Europe 2008: Hot and Sexy Deals

October 2008

Hot and Sexy Partnering and M&A Deals

What Makes a Deal “Hot and Sexy”?

Four Key Factors Determine this Characterization of a Deal

- Value
- Scope – diseases, stage of disease, geography, and duration of deal
- Unexpectedness
- Impact on both companies

Hot and Sexy M&A Deals

10 Biggest Mergers and Acquisitions in 2008 to Date ¹

Announcement Date	Acquiror	Target	Price (USD\$M)	Deal Status
7/21/2008	Roche	Genentech	43,700	Announced
4/7/2008	Novartis	Alcon Inc	27,734	Intended
5/14/2008	Takeda	Millenium	8,800	Completed
7/18/2008	Teva	Barr	8,767	Pending
6/12/2008	Invitrogen	Applied Biosystems	6,444	Pending
7/7/2008	Fresenius	APP Pharmaceutica	5,612	Completed
7/31/2008	Bristol-Myers Squibb	ImClone	4,700	Announced
6/11/2008	Daiichi Sankyo	Ranbaxy	4,600	Announced
1/28/2008	Eisai	MGI Pharma	3,900	Completed
8/12/2008	CSL	Talecris	3,100	Announced

- Big Pharma is gobbling up biotech and mid-tier pharma's
- Japanese pharmaceutical companies are involved in 3 of the top 10 biggest deals of 2008
- Largest takeover in BioPharma history will be the epic Roche acquisition of Genentech

¹ As of Sept 30, 2008

Source: MedTrack, BioCentury, Company Sources

Hot and Sexy Partnering Deals

Noteworthy Partnering Alliances in 2008 to Date ¹

Date ²	Source	Partner(s)	Indication	Milestones	Equity & Upfront
7/14/2008	Actelion	GSK	Insomnia	3,101	148
1/7/2008	Isis	Genzyme	Hyper-cholesterolemia	1,575	325
2/3/2008	Amgen	Takeda	Cancer	537	300
8/28/2008	Valeant	GSK	Epilepsy	695	125
6/17/2008	ThromboGenics, BioInvent	Roche	Cancer	698	78
4/24/2008	CoMentis	Astellas	Alzheimer's disease	660	80
9/3/2008	Pfizer	Medivation	Alzheimer's and Huntington's disease	500	225
8/19/2008	PDL BioPharma	BMS	Multiple myeloma	680	30
7/14/2008	Immunomedics	Nycomed	Idiopathic thrombocytopenic Lymphoma	580	40
3/5/2008	Kyowa Hakko Kogyo	Amgen	Lymphoma	420	100
7/17/2008	PTC Therapeutics	Genzyme	Cystic Fibrosis, Duchenne muscular	337	100

Highlights

- GSK looking to corner orexin antagonists for insomnia
- Roche vouches for PIGF-Inhibitors in fight against cancer
- Takeda looks to build out its domestic cancer franchise by tapping Amgen's pipeline

¹ As of Sept 30, 2008

² Announcement Date

Source: MedTrack, BioCentury, Company Sources

Hot and Sexy Idea Deals

Idea Deals in 2008 to Date ¹

In the current economic climate, investors have a hard time monetizing on investments as, the IPO window is effectively shut and the biotech sector unfavorably valued

2 Interesting Ways to Monetize Investments

- Directly Rewarding Investors (e.g. Boehringer Ingelheim's conditional acquisition of Actimis)
- Monetizing Royalties (e.g. Indevus monetizing Sanctura royalties)

¹ As of Sept 30, 2008

Hot and Sexy Antibody Deals

And the Winners are...

Morphosys

- Signed landmark \$1B deal with Novartis in December of 2007 (committed payments of \$600M over lifetime of the deal with \$400M in possible milestone payments)
- In 2008, has extended alliance agreements with Shionogi, Astellas, Boehringer Ingelheim, OncoMed and Schering-Plough

Adnexus

- Bristol-Myers Squibb (BMS) to acquire Adnexus for a gross purchase price of \$430M with an earn-out which could result in BMS paying an additional \$75M

BioInvent

- Alongside ThromboGenics, has struck a \$775M strategic alliance with Roche for cancer drug TB-403, an anti-placental growth factor (anti-PIGF) in Phase I trials for cancer and macular degeneration

Kyowa Hakko

- Granted Amgen exclusive, worldwide rights to develop and commercialize KW-0761 (humanized mAb targeting CC chemokine receptor 4 in Phase I trials for lymphoma) for \$520M

Source: BioCentury, In Vivo, FPG Analysis