



Current Agreements

Dealdoc

Asset purchase agreement for dipeptidyl peptidase IV (DPP-IV) inhibitors

Prosidion

Royalty Pharma

Jun 30 2011

Asset purchase agreement for dipeptidyl peptidase IV (DPP-IV) inhibitors

Companies:	Prosidion Royalty Pharma
Announcement date:	Jun 30 2011
Deal value, US\$m:	609.0 : sum of cash payment

- [Details](#)
- [Financials](#)
- [Termsheet](#)
- [Press Release](#)
- [Filing Data](#)
- [Contract](#)

Details

Announcement date:	Jun 30 2011
Industry sectors:	Pharmaceutical Financial
Therapy areas:	Metabolic » Diabetes
Technology types:	Small molecules
Deal components:	Asset purchase
Geographic focus:	Worldwide

Financials

Deal value, US\$m:	609.0 : sum of cash payment
Upfront, US\$m:	609.0 : upfront cash payment
Milestones, US\$m:	n/d : related to DPP-IV asset
Royalty rates, %:	100 : payment related to DPP-IV asset

Termsheet

Prosidion's patent estate and associated royalty stream relating to the use of dipeptidyl peptidase IV (DPP-IV) inhibitors for the treatment of type 2 diabetes has been sold to Royalty Pharma for a total cash payment of USD 609 million.

The transaction is expected to close in July 2011.

Prosidion was acquired as part of Astellas' acquisition of OSI Pharmaceuticals in June 2010.

Royalty Pharma will be entitled to receive 100% of royalty payments and milestones related to the DPP-IV asset.

Additionally, Royalty Pharma will take over administration of the DPP-IV patent estate currently owned by Prosidion.

Press Release

Astellas' Prosidion Subsidiary Sells Dipeptidyl Peptidase IV (DPP-IV) Patent Estate and Associated Royalty Interest to Royalty Pharma for USD 609 Million TOKYO--(BUSINESS WIRE)--Astellas Pharma Inc. (TOKYO:4503)("Astellas") announced today that Prosidion's patent estate and associated royalty stream relating to the use of dipeptidyl peptidase IV (DPP-IV) inhibitors for the treatment of type 2 diabetes has been sold to Royalty Pharma for a total cash payment of USD 609 million. The transaction is expected to close in July 2011. Prosidion was acquired as part of Astellas' acquisition of OSI Pharmaceuticals in June 2010.

In July 2004, Prosidion acquired a portfolio of medical use patents related to the use of DPP-IV inhibitors for the treatment of type 2 diabetes. A number of non-exclusive licenses to these patents have been granted to pharmaceutical companies around the world.

Under the terms of the sale agreement, Royalty Pharma will be entitled to receive 100% of royalty payments and milestones related to the DPP-IV asset. Additionally, Royalty Pharma will take over administration of the DPP-IV patent estate currently owned by Prosidion.

While Astellas is still reviewing the impact of this transaction on its financial forecasts for the fiscal year ending March 31, 2012, Astellas expects a minimal impact.

Yoshihiko Hatanaka, President and Chief Executive Officer of Astellas commented, "The sale of Prosidion's DPP-IV patent estate and royalty stream supports our strategic goal of maximizing value for Astellas' shareholders. The sale of this large, passive, non-core financial asset will free up capital for reinvestment in strategic initiatives. We are pleased to have been able to work with Royalty Pharma in this important transaction."

Pablo Legorreta, Chief Executive Officer of Royalty Pharma, stated, "We are honored to have had the opportunity to work with Astellas in this important strategic transaction. Royalty Pharma's goal is to be a financial partner to large biopharmaceutical companies seeking to expand their product pipelines by acquiring biotech and other life sciences companies, many of which hold significant passive royalty assets. By partnering with Royalty Pharma, acquirors can reduce the amount of capital spent to acquire strategic, value-creating assets and, in doing so, preserve capital to fund other strategic acquisitions or its internal pipeline. This transaction fits squarely within this strategy. The DPP-IV royalties are very high quality asset that will be an excellent addition to our diversified portfolio of leading biopharmaceutical royalties."

In addition to the patent estate and associated royalty stream, Prosidion's assets include two drug candidates in development for diabetes and obesity and research and development capabilities. Astellas will continue to review strategic alternatives for these assets. Astellas is committed to completing its review of potential alternatives as promptly as practicable. The range of alternatives that will be assessed could include minority investment or strategic alliance, a merger or sale of some or all of these assets. However, there can be no assurances that any particular alternative will be pursued or that any transaction will occur, or on what terms. Astellas does not plan to release additional information about the status of the review of alternatives until a definitive agreement is entered into or the process is otherwise completed.

Citi is acting as financial advisor and Allen & Overy LLP is acting as the legal advisor to Astellas on this transaction. Lazard Frères & Co. LLC and Greenhill & Co., LLC are acting as financial advisors, and Goodwin Procter LLP, Akin Gump Strauss Hauer & Feld LLP and Fitzpatrick, Cella, Harper & Scinto are acting as the legal advisors to Royalty Pharma on this transaction.

About Astellas

Astellas Pharma Inc., located in Tokyo, Japan, is a pharmaceutical company dedicated to improving the health of people around the world through the provision of innovative and reliable pharmaceuticals. Astellas has approximately 16,000 employees worldwide. The organization is committed to becoming a global category leader in urology, immunology & infectious diseases, oncology, neuroscience, and DM complications & metabolic diseases. For more information on Astellas Pharma Inc., please visit our website at <http://www.astellas.com/en>.

About Prosidion

Prosidion Ltd. (a wholly owned subsidiary of Astellas Pharma Inc.) is a biopharmaceutical company, focused on discovering, developing and commercializing innovative molecular targeted therapies addressing major unmet medical needs in type 2 diabetes and obesity. The company's biological research is focused on neuroendocrine control of body weight and glycaemia. This combined with special expertise in the area of designed multiple ligands is geared to deliver novel, innovative first- or best-in-class therapies for type 2 diabetes and obesity. Prosidion is located in Oxford, in the UK close to a seat of international academic excellence. The company has state of the art facilities and fully integrated capabilities in research and development.

About Royalty Pharma

Royalty Pharma is the industry leader in acquiring royalty interests in marketed and late stage biopharmaceutical products. With over \$6 billion in assets under management, Royalty Pharma currently owns a diversified portfolio of royalty interests in several high-quality blockbuster biopharmaceutical products. These products include Abbott's Humira®, Johnson and Johnson's Remicade®, Gilead's Atripla®, Truvada®, and Emtriva®, Pfizer's Lyrica®, Amgen's Neupogen® and Neulasta®, and Genentech's Rituxan®. The company has a fifteen year history of providing value to holders of royalty interests, including its \$700 million acquisition of AstraZeneca's Humira royalty, its \$700 million purchase of a portion of Northwestern University's Lyrica royalty, its \$650 million purchase of New York University's Remicade royalty and its joint \$525 million acquisition with Gilead Sciences of Emory University's emtricitabine royalty interest.

Filing Data

Not available.

Contract

Not available.