

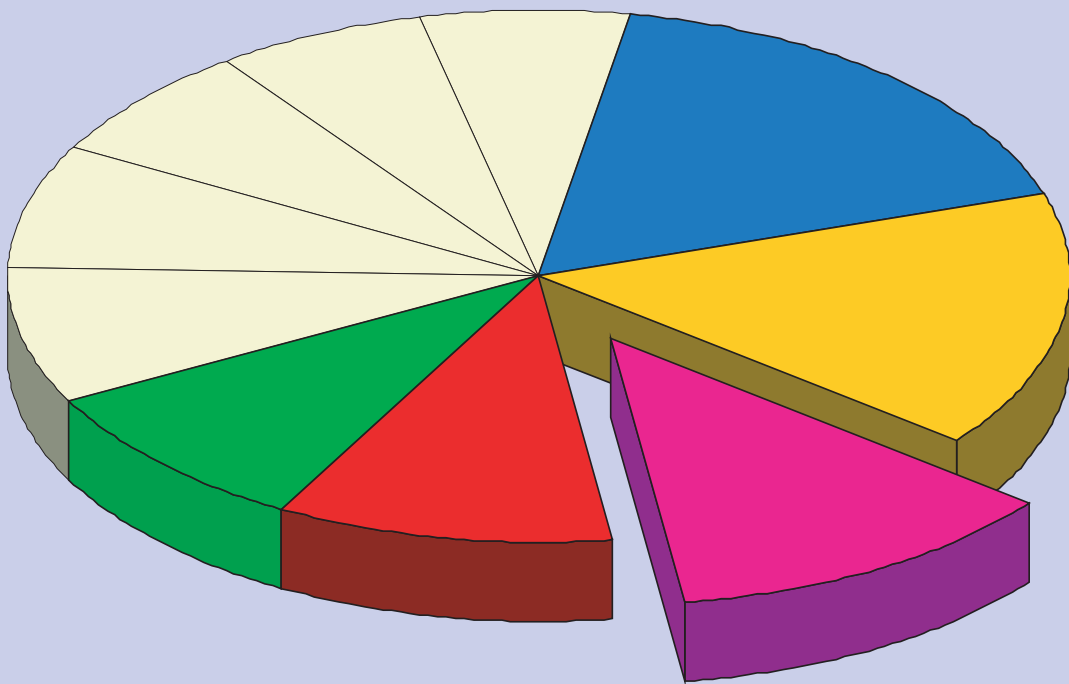
# Deal Making Spotlight on GlaxoSmithKline



**PharmaVentures**  
Experts in deals and alliances

# DEAL MAKING SPOTLIGHT REPORT

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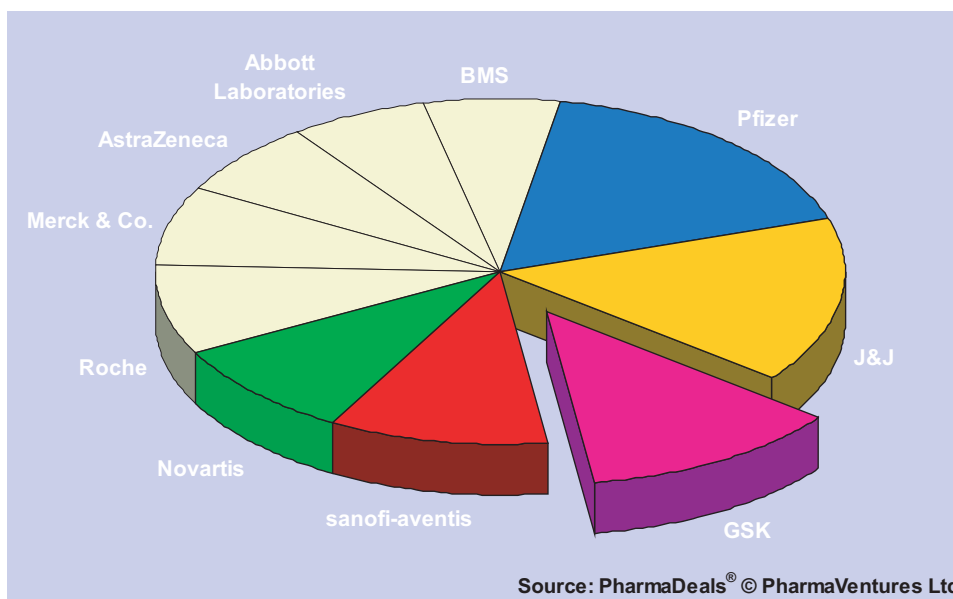
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## SPOTLIGHT OVERVIEW

The PharmaDeals® Deal Making Spotlight Reports catalogue every healthcare deal and alliance entered into by five of the top ten pharmaceutical companies – **GlaxoSmithKline, sanofi-aventis, Johnson & Johnson, Pfizer** and **Novartis** – between 2000 and 2005 (*Figure 1*). These deals are listed in chronological order and are also indexed according to therapy area and partnering company enabling you to identify easily deals that may relate to your company's strategy. In the case of companies which were formed as the result of major mergers between 2000 and 2005, the deals of the predecessor companies are included to illustrate the companies' pre- and post-merger deal making activity. The deals made by these companies' subsidiaries are also included within the parent company's overall deals.



*Figure 1 - The proportion of the total annual revenues of the top 10 global pharmaceutical companies in 2004 generated by each company.*

Big pharma companies are often the partner of choice for a smaller pharmaceutical or biotechnology company, not least because of the financially lucrative deals that the larger companies can offer. Indeed, during 2005, seven of the top ten licensing or co-development deals (in terms of total potential value) involved one of the five companies featured in the Spotlight Reports big pharma series. With such financial power, combined with a desire to bolster their development pipeline, big pharma companies are relatively promiscuous in their deal making (*Figure 2*). These reports will be useful to companies that are looking to collaborate with one of these five companies. By examining equivalent deals in these reports, you will also be able to benchmark your deal with any potential big pharma partner.

A brief historical section puts each company's current position into perspective and describes some of the significant events that have led to its current global market presence. Each deal contained in the report lists the date the deal was agreed, the companies involved in the deal, the type of deal (licensing, manufacture/supply etc.) and the therapy or interest area relevant to the deal. A full description of the deal terms between the two companies gives you all the information required to understand a deal at a glance. Where possible, full financial details of

the deal are described, including information such as upfront payments, potential milestone payments and the royalties agreed between the parties. Furthermore, significant updates, such as the achievement of a milestone payment, the re-negotiation of deal terms or the termination of a deal, are all included within each deal listing allowing you to gauge the progression and success of these alliances.

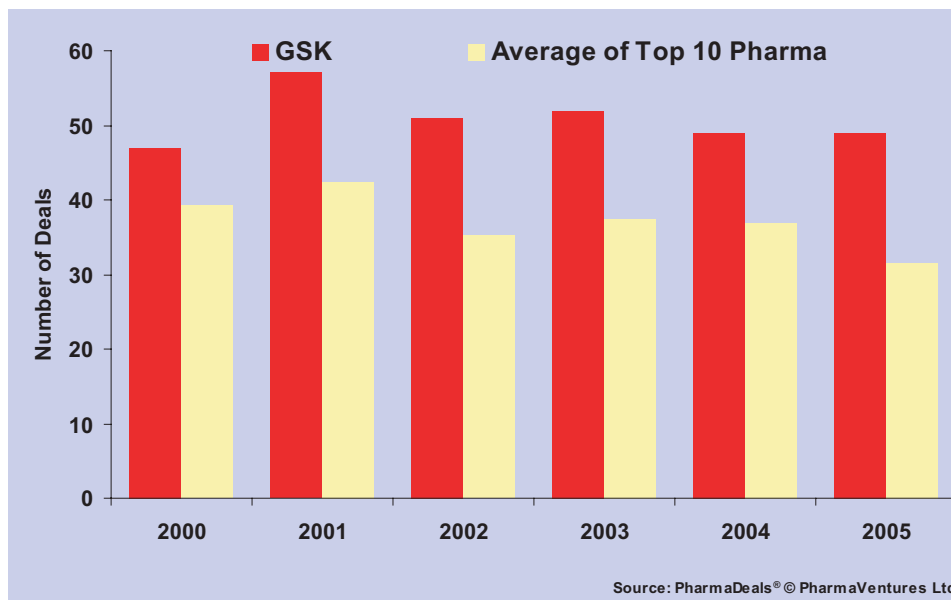


Figure 2 - The total number of deals made each year between 2000 and 2005 by GlaxoSmithKline compared to the average number of deals made by the top 10 global pharmaceutical companies.

Analysis of the information within the Deal Making Spotlight Reports has been performed by PharmaVentures Business Analysts, providing you with 17 graphs detailing useful at-a-glance information such as number of deals per therapy area, which phase of development the company has been most involved for in- or out-licensing and what type of deals the company has entered into each year between 2000 and 2005. These graphs are also included as separate files to use in your own presentations and analysis.

The Deal Making Spotlight Reports are enhanced by limited access to PharmaDeals Agreements allowing online browsing of all the records contained within each report. This will allow you to exploit fully the PharmaDeals Agreements management tool to search for deals according to key words, partnering companies, drug names and phases of development. These deals can be exported to a spreadsheet allowing data manipulation or presentation as required. Furthermore, deals accessible online are kept fully up-to-date, allowing you to keep track of the progress of these deals at any time in the future, meaning that the information within the Deal Making Spotlight Reports will never be out of date.

**Partnering Company:**

The Bill and Melinda Gates Foundation

**Principal Company:**

PATH's Malaria Vaccine Initiative (MVI)  
GlaxoSmithKline Biologicals

**Date:**

30/10/2005

**Deal No.:**

22105

**Financial Value** (if stated):

US\$107.6 M

**Deal Type:**

Co-Development

**Interest Area:**

Anti-infective, antiparasitic  
Immunological

**Product Brand Name:**

Mosquirix™

**New Gates Funding will Enable MVI and GSK Biologicals to Complete Development of World's Most Advanced Malaria Vaccine Candidate**

The Bill & Melinda Gates Foundation have announced a US\$107.6 M grant to the PATH Malaria Vaccine Initiative (MVI) to extend the public-private partnership between MVI and GlaxoSmithKline (GSK) Biologicals to develop GSK's malaria vaccine for children in Africa (See Deal no. **18961**).

The new project will expand clinical evaluation of the world's most advanced malaria vaccine candidate, known as RTS,S. If all the project milestones are achieved, this agreement will take the vaccine through licensing and introduction into African immunisation programmes.

A 2004 proof-of-concept trial in Mozambique found that the vaccine reduced severe malaria by 58% in children age 1 to 4. The new trials will include studies to assess this promising vaccine candidate in younger age groups including infants, the groups that suffer most from malaria and that would benefit the most from an effective vaccine against the disease.

Most of the new grant will directly support clinical trials in Africa. From its own funds, GSK will at least match the US\$21.4 M it receives from MVI to help defray some of the clinical development costs.

MVI and GSK Biologicals, which first entered into collaboration in 2000 to develop the vaccine for children, will launch small-scale trials in infants and young children and then proceed to a large-scale Phase 3 clinical trial to determine the efficacy of the vaccine. The clinical trials will be conducted in several African countries.

See related Deal No. **18961**.

**Partnering Company:**

GlaxoSmithKline plc

**Principal Company:**

Vertex Pharmaceuticals, Inc.

**Date:**

13/12/2005

**Deal No.:**

22843

**Financial Value** (if stated):

US\$405 M

**Deal Type:**

Licensing  
Rights

**Interest Area:**

Inflammation / musculoskeletal  
Neurological

**Product Brand Name:**

**GSK and Vertex Announce New Collaboration to Develop and Commercialise VX-409, a Novel Compound for the Treatment of Pain**

GlaxoSmithKline and Vertex Pharmaceuticals have entered into a new agreement to develop and commercialise VX-409. Under the terms of the agreement, GSK will have the exclusive right and licence to develop and commercialise Vertex's VX-409 and back-up compounds worldwide. Vertex will receive a US\$20 M upfront payment and could receive up to an additional US\$385 M in development and sales threshold milestone payments based on the development of VX-409 and back-up compounds in major pharmaceutical markets across a range of indications. GSK will also pay Vertex royalties on annual net sales.

VX-409 is an agent in a new class of investigational therapies targeting pain treatment through selective modulation of sodium channels in nerve cells. Specific sodium channels are involved in transmitting sensory input, including the transmission of pain signals to the CNS, making them attractive targets for new pain treatments. As an oral, subtype selective sodium channel modulator, VX-409 has been shown to be orally bioavailable, highly active and has exhibited a good safety profile in nonclinical models of both neuropathic and inflammatory pain. VX-409 was discovered through Vertex's San Diego-based ion channel research programme using the capabilities and proprietary technologies that are unique to that site. Phase 1 clinical development of VX-409 is expected to be initiated early in 2007.

Vertex is a global biotechnology company committed to the discovery and development of small molecule drugs for serious diseases. The company's strategy is to commercialise its products both independently and in collaboration with major pharmaceutical companies.