

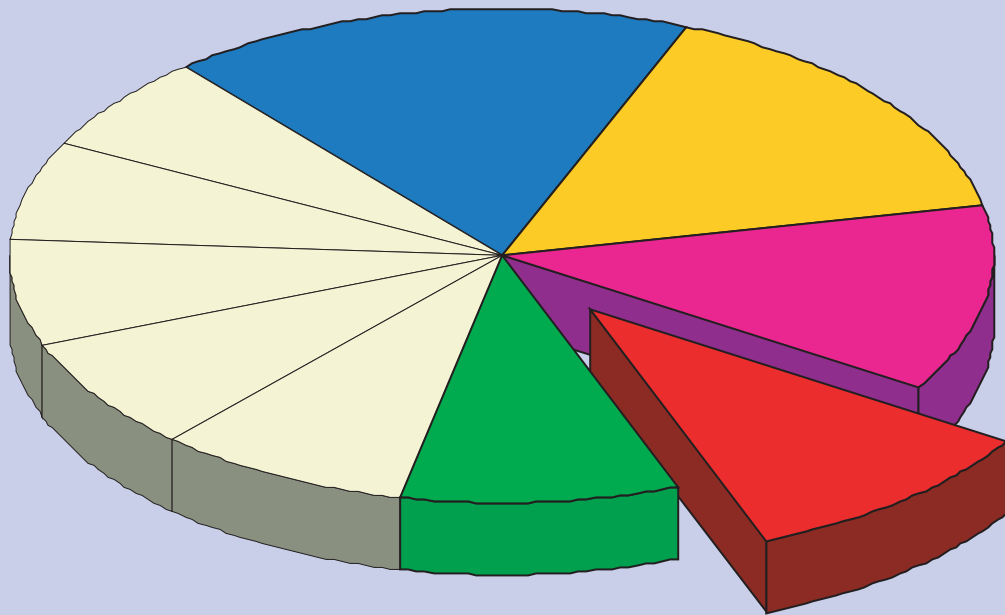
Deal Making Spotlight on sanofi-aventis



PharmaVentures
Experts in deals and alliances

DEAL MAKING SPOTLIGHT REPORT

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CONTENTS

SPOTLIGHT OVERVIEW	3
SPOTLIGHT FOCUS	5
sanofi-aventis	5
Deal Making Subsidiaries	6
DEAL MAKING	7
Deal Making Overview	7
Financial Information	8
Partnering Companies	9
Interest Areas	9
Licensing Deal Focus	10
R&D Deal Activity	12
Marketing Deal Activity	13
SANOFI-AVENTIS DEALS 2000-2005	15
FIELD DEFINITIONS	15
Deal Types	15
Product Types	17
Interest Area	18
Company Types	21
SANOFI-AVENTIS DEALS 2000-2005	
CATALOGUE	22
CATALOGUE INDEX	280
Index of Partnering Companies	281
Index of Interest Areas	282
APPENDICES	292
Indications and Interest Areas	293
sanofi-aventis article reprinted from the	
<i>PharmaDeals® Review</i>	298
GUIDE TO PHARMADEALS® AGREEMENTS	301

LIST OF FIGURES

Figure 1	3
The proportion of the total annual revenues of the	
top 10 global pharmaceutical companies in 2004	
generated by each company.	
Figure 2	4
The total number of deals made each year between	
2000 and 2005 by sanofi-aventis compared to the	
average number of deals made by the top 10 global	
pharmaceutical companies.	
Figure 3	7
Deal making activities of sanofi-aventis between	
2000 and 2005.	
Figure 4	7
Percentage of deals made by sanofi-aventis between	
2000 and 2005 involving each deal type.	
Figure 5	8
Comparison of the total potential deal values based	
on deal type.	
Figure 6	8
Comparison of deal structure financial components	
based on deal type.	
Figure 7	9
Proportion of partnering companies by size and	
type.	
Figure 8	9
Number of deals involving each therapy interest	
area.	
Figure 9	10
Number of deals involving each technology interest	
area.	
Figure 10	11
In- and out-licensing deals by product area.	
Figure 11	11
In- and out-licensing deals by phase of product	
development.	
Figure 12	11
Number of licensing deals by therapy interest area.	
Figure 13	12
Number of licensing deals by technology interest	
area.	
Figure 14	12
Number of R&D deals by therapy interest area.	
Figure 15	13
Number of R&D deals by technology interest area.	
Figure 16	13
Proportion of marketing deals by territory.	
Figure 17	14
Number of marketing deals by therapy interest area.	

SPOTLIGHT OVERVIEW

The PharmaDeals® Deal Making Spotlight Reports catalogue every healthcare deal and alliance entered into by five of the top ten pharmaceutical companies – **sanofi-aventis**, **Johnson & Johnson**, **Pfizer**, **Novartis** and **GlaxoSmithKline** – 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.

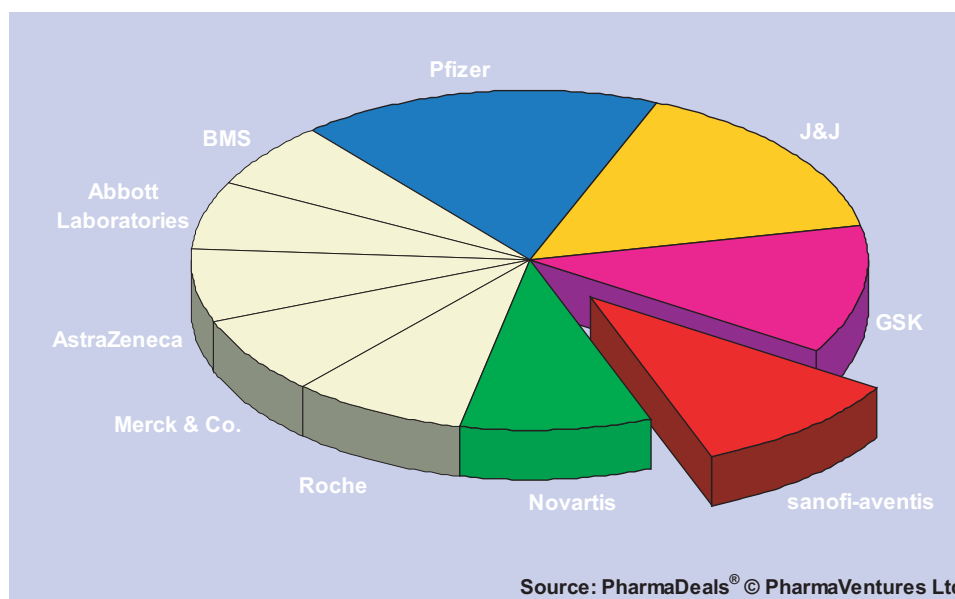


Figure 1 - The proportion of the total annual revenues of the top 10 global pharmaceutical companies in 2004 generated by each company.

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.

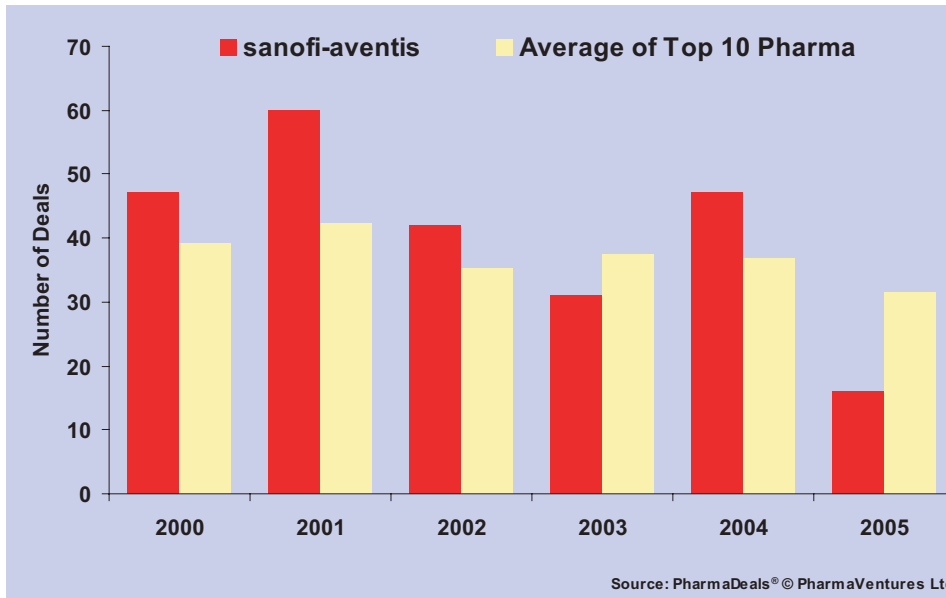


Figure 2 - The total number of deals made each year between 2000 and 2005 by sanofi-aventis compared to the average number of deals made by the top 10 global pharmaceutical companies.

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:

Aventis Pharma

Principal Company:

Novexel

Date:

03/12/2004

Deal No.:

18590

Financial Value (if stated):

US\$53 M

Deal Type:

Equity Investment

Divestment

Co-Development

Interest Area:

Anti-infective, antibacterial

Anti-infective, antifungal

Product Brand Name:**Novexel Commences Multidose Phase 1 Trial Of Nxl103, An Oral Antibiotic**

Novexel, a new pharmaceutical company focused on the discovery and development of novel antibacterials and antifungals has been formed as a spin-off of Aventis Pharma, a subsidiary of sanofi-aventis, who will take a 22% stake in the new company. Novexel will be Paris-based and inherits an advanced portfolio of anti-infective programmes and IP, and has received 40 M euros (US\$53 M) in financing from an international group of leading life sciences investors led by Atlas Venture and including Sofinnova, 3i, Abingworth and Novo, who will receive 66% of the equity in the new company.

Novexel's assets include five compounds in development. Two of these are in Phase 1: NXL103, an oral antibiotic against bacterial respiratory infections, and NXL201, for the treatment of severe fungal infections. The company's preclinical development pipeline includes NXL102, a novel topical antibacterial expected to enter the clinic during 2005; NXL104, a novel beta-lactamase inhibitor against nosocomial infections, and NXL101, an entirely new chemical class topoisomerase IV inhibitor against Gram positive bacteria including MRSA. The move is the first sign of restructuring since the sanofi-aventis merger in August 2004 (Deal no. **15370**). The core of Novexel will be 21 staff from Aventis Pharma, who have negotiated to continue using the company's information technology services, and have access to compounds and licences from their former employer. Among the investors, Francois Thomas of Atlas Venture, Genghis Lloyd-Harris of Abingworth and Denis Lucquin of Sofinnova will be joining Novexel's Board of Directors, while 3i and Novo will appoint Board observers.

Update, 03/10/2005:

Novexel has commenced a Phase 1 multidose trial of NXL103, its oral antibiotic against bacterial respiratory infections. The commencement of the trial prompts a payment from sanofi-aventis, which holds an option to develop NXL103 as part of the December 2004 spin-off agreement from Aventis Pharma.

The oral streptogramin NXL103 inhibits protein synthesis in bacteria and shows potent activity against all the major respiratory pathogens including strains resistant to penicillin, macrolide and quinolone antibiotics. Novexel's target antibacterial market is large and growing with over US\$25 B in global sales in 2004 as resistance to marketed antibiotics continues to rise. Levels of penicillin non-susceptibility in *Streptococcus pneumoniae* found in several surveys are around 30% in Western Europe (exceeding 50% in some countries such as France), 34% in the US and 81% in Japan. Similar rates of non-susceptibility to macrolides are seen in *S. pneumoniae*. Novexel's assets include five compounds in development. In addition to NXL103, there is also NXL201 in Phase 1 for the treatment of severe fungal infections.

Partnering Company:

US Department of Health and Human Services

Principal Company:

sanofi pasteur (formerly Aventis Pasteur) (of sanofi-aventis Group)

Date:

15/09/2005

Deal No.:

21675

Financial Value (if stated):

US\$100 M

Deal Type:

Contract: Manufacture

sanofi pasteur to Produce US\$100 M of Vaccine Against H5N1 Influenza Virus for US Government

sanofi pasteur, the vaccines business of the sanofi-aventis Group, has entered into an agreement with the US Department of Health and Human Services (HHS) to produce a vaccine to help protect against the H5N1 influenza virus strain, the so-called avian strain. Scientists believe the H5N1 strain could become the cause of a global influenza pandemic.

The contract is another major effort by sanofi pasteur to support efforts in both the US and Europe to prepare the world for the possibility of an influenza pandemic.

The US\$100 M contract calls for sanofi pasteur to manufacture the vaccine in bulk concentrate form at its US headquarters in Swiftwater, Pennsylvania from early September until late October 2005. The agreement provides for additional fees to be paid to sanofi pasteur for storage of the vaccine as well as for formulation and filling of the vaccine upon government request.

Interest Area:

Anti-infective, antiviral

Product Brand Name: