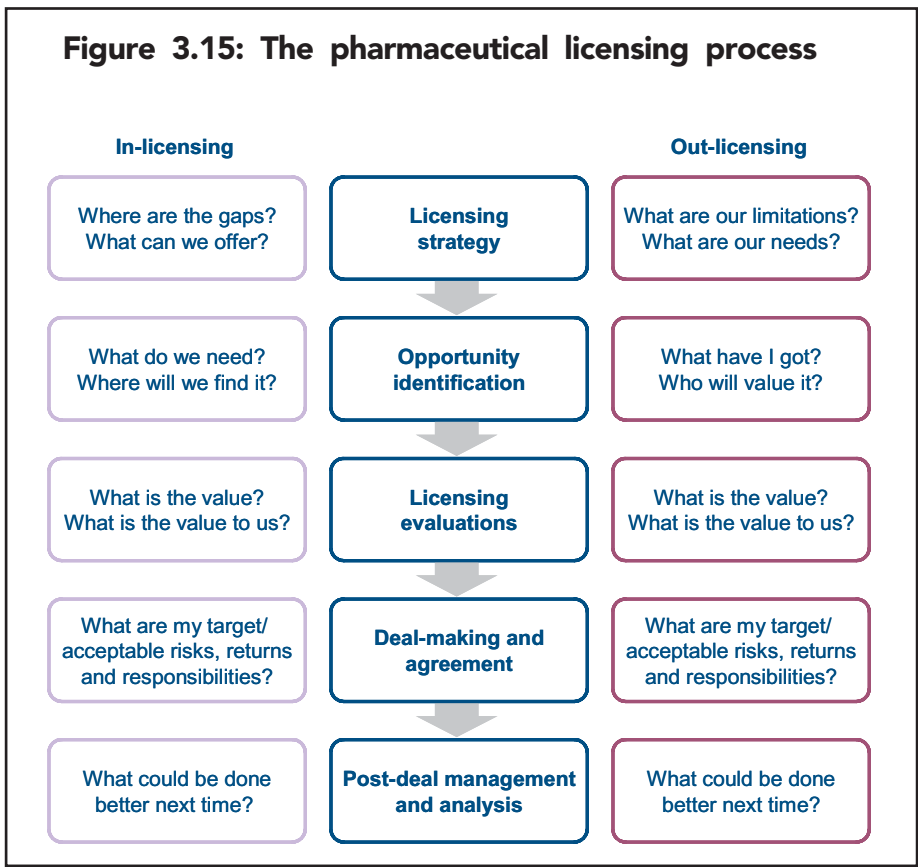


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Figure 3.15: The pharmaceutical licensing process

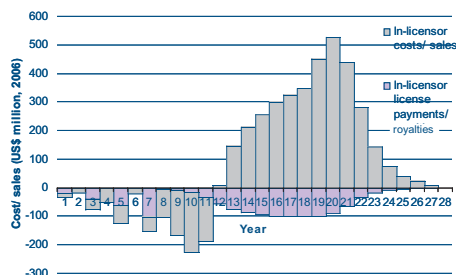


Discover how your company can create win-win licensing deals with the help of this new management report...

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Figure 4.30: Deal outcomes for in-licensor



Source: Pharmaceutical Licensing Strategies

"While an understanding of total deal values are generated by the base case model, negotiations around licensing agreements are informed by looking at how that value is shared between potential partners with respect to risks, returns and responsibilities. The first model outputs outline all potential cash flows for each partner over the lifecycle of the licensing agreement..."

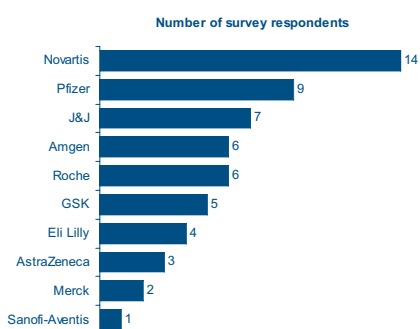
With falling R&D productivity, continued healthcare cost containment and the threat of generic competition, only those companies who combine internal efforts with effective licensing strategies will remain competitive over the next five-to-ten years.

Pharmaceutical Licensing Strategies: Best practices in deal-making, valuations and strategic management is the only report available that combines up-to-date analysis of recent deal trends and best practices with a detailed guide to the licensing and deal-making process, ensuring that you are able to optimize your strategic licensing activities.

Use this report to ensure that you are up-to-date with the latest licensing trends and can implement strategies that will drive 'win-win' licensing deals. Give your licensing strategies the best chance of success and enhance your reputation within the industry to become the partner of choice.

Key findings of the report...

Figure 5.37: In-licensing partner of choice, 2006

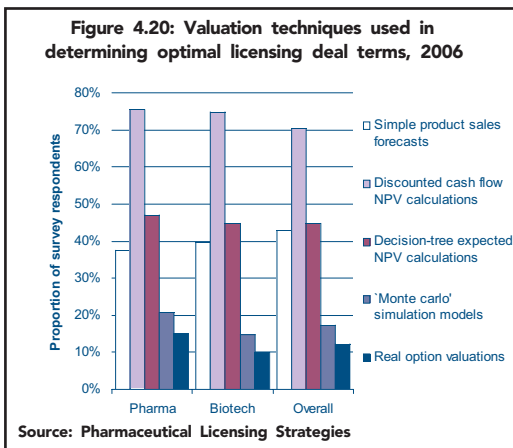


Source: Pharmaceutical Licensing Strategies

"A survey of 142 licensing executives revealed Novartis to be the in-licensing partner of choice in 2006. Other leading in-licensing partners include Pfizer, Johnson & Johnson (J&J) and Roche. Interestingly, Amgen was the fourth ranked in-licensing company, illustrating the biotech company's affinity with smaller biotech companies as a preferred alternative partner to big pharma..."

- **The larger biotech companies now have the resources and the capabilities to develop lead drugs to later stages of development before seeking a pharmaceutical partner**, and are now able to compete with pharmaceutical companies for the best in-licensing deals from emerging biotech.
- **While the value of licensing deals has risen markedly in the last 5 years**, the volume of deals among the top companies has plateaued. Companies are increasingly seeking out long-term, multi-product, multi-indication collaborations rather than one-off transactional deals.
- **Using independent and unbiased model inputs in the licensing valuation process limits areas of subjective disagreement**, and allows deal terms to be maximized for both parties.
- **A successful deal cannot only be judged by deal terms and revenues gained from the eventual product**; the quality of the relationship between licensing partners is also equally important.

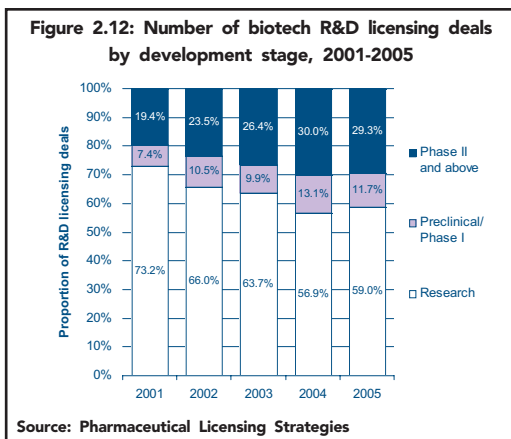
Key questions answered in this report



“the sharing of (valuation) information with a potential partner is far greater for pharmaceutical companies than it is for biotech companies. This means that a greater proportion of biotech companies are withholding valuation data from their partners than is the case for pharmaceutical companies...”

- What are the best practice strategies in developing an effective win-win licensing deal?
- How does the licensing process differ for in-licensing and out-licensing companies?
- How do outside agencies, consultancies and investors help to support the licensing process?
- What can be done to optimize licensing deal values through collaborative evaluations?
- What lessons can be drawn from the key successful deals and deal-makers of the past 10 years?
- How is the value, volume and competition for licensing deals forecast to change over the coming year?
- Why are companies now forming more relationship-based licenses than ever before?

Top five reasons to order your copy today



“Looking at biotech R&D licensing deals specifically, there appears to have been a significant trend towards later stage deals between 2001 and 2005. For biotech R&D licensing deals, the proportion of agreements signed in phase II or later has grown from less than 20% in 2001 to almost 30% in 2005. Licensing agreements in later stages, particularly in phase II, appear to be driving growth in licensing activity over the past five years...”

- **Understand how the dynamics of licensing deals have changed in the last 5 years**, including the increasing complexity of multiple development compound deals and the shifting balance of power between the licensee and licensor.
- **Gain access to a survey of over 140 licensing experts** ensuring you implement optimal licensing processes and commit adequate resources to support deal-making.
- **Profile the leading deals and deal-makers over the past 5 years**, identify the key factors of success and apply the report’s actionable recommendations.
- **Implement effective alliance management processes** to ensure the success of your current licensing deals and become the partner of choice for the future.
- **Apply the independent licensing valuation model presented in this report** in order to begin more collaborative licensing negotiations and maximize the value of your deal for both parties.

Sample information from the report

Chapter 2: Licensing Trends

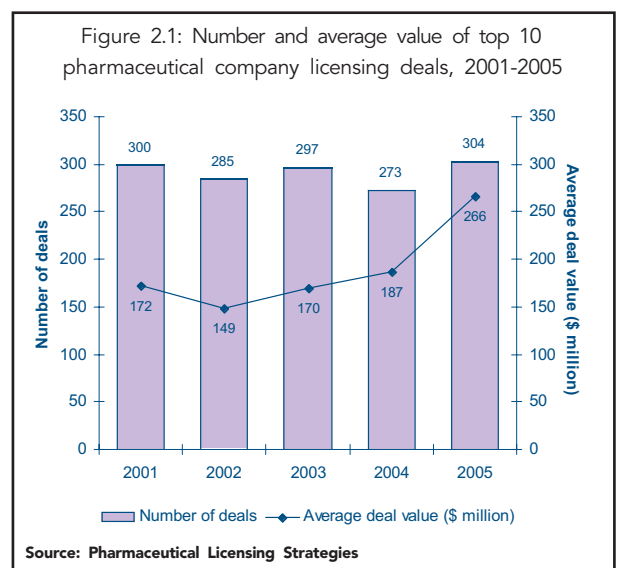
Headline deal trends

The number and average value of licensing deals involving the top 10 pharmaceutical companies both increased between 2001 and 2005, as shown in Figure 2.1. The top 10 companies were considered to be those with the highest pharmaceutical product sales in 2005 (Pfizer, Sanofi-Aventis, GlaxoSmithKline, AstraZeneca, Johnson & Johnson, Roche, Merck & Co., Novartis, Wyeth and Bristol-Myers Squibb), with all licensing activity for companies acquired by the top 10 companies between 2001 and 2005 consolidated over the period.

Average deal values for the top 10 pharmaceutical companies have risen consistently between 2002 and 2005. Average deal values are based on the headline deal values released by partnering companies at the time of signing an agreement. As a result these deal values often refer to the maximum potential deal value and usually exclude any royalty payments to be paid once a drug is brought to market.

The number of licensing deals involving top 10 pharmaceutical companies has both increased and decreased at different periods between 2001 and 2005. While licensing activity in 2005 is the highest it has been over the five years, similar peaks were reached in 2001 and 2003.

By looking at an analysis of the top 10 pharmaceutical companies only, we can see that the number of licensing deals that have been signed by any one company appears to have reached a plateau between 2001 and 2005. While an average of 30 deals per company is significantly more than would have been seen 20 or even 10 years ago, licensing activity in the leading companies appears to have reached a natural limit. A company's limited resources and abilities to manage inter-company relationships and collaborative projects places an upper limit on the number of different agreements that can be formed each year. However, it is noticeable that there has been a consistent increase in average deal values between 2002 and 2005. This is likely to be the result of deal sizes increasing to include multiple development compounds. It appears that the leading pharmaceutical companies have determined that the size and quality of the deal is more important than driving increases in the number of deals. As a result, the same number of licensing partners are providing a greater level of licensing value over a greater number of licensed compounds.



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