

A new report from PharmaDeals®

Table of Contents

The Comprehensive Guide to Royalty Rates in Pharmaceutical and Biotech Deals

Edited by

Nigel Borshell

with consultants of
PharmaVentures

Foreword by Dr Fintan Walton

2009 Edition



PharmaVentures
Experts in deals and alliances

Foreword

By Dr Fintan Walton

Preface

Introduction

Three Lessons on Royalties Too Often Learned the Hard Way

Royalties, What's the Big Deal?

Overview of the Report

Effective Royalties

Value Calculation

The Visualisation of Deals

Chapter 1

History

Royalties: In the Beginning

Mining and Petroleum

Royalties: Incentives and Disincentives

Royalties by Industry Sector

Chapter 2

Thought Leadership

Deconstructing Deals – Benchmarks and Effective Royalties: The Benchmarking Challenge

Benchmarking Effective Royalties

Developing a New Methodology

Is the Biotech Industry Different from Mainstream Pharma in its Royalty Requirements?

Biotech Royalty Stacks

The 25% Rule of Thumb: If Only It Was That Simple!

Overt or Covert: Thoughts on Royalty

Chapter 3

Benchmarking and eNPV

Methods for Calculating Royalties

Return of Research and Development Costs

Setting Royalties: The Tools

Benchmarking

Deal Benchmarking in Practice

Transfer Pricing: A Hidden Distortion to Royalties

Estimated Net Present Value (eNPV)

The Basics of eNPV and NPV Calculation

Risk

Further Refinements of the eNPV Model

Development Cash Burn

Chapter 4

Data and Trends

Disclosure of Royalties: Why the Big Secret

Who Was That Masked Man?

Big Pharma Global Licensing

Top 15 Big Pharma Royalty Frequency

Addressing Gaps in Agreements

Licensing Deals in Japan: Culture and Tax

Standard terms, Exceptions to the Rule

Royalties and Deal Structures

An Analysis of Rates Used in Recent Pharma Deals

Royalties in Early-Stage Technology Deals Participation

Royalties to Fund Development Costs

Creativity: There's More Than One Way to Skin a Cat

Upfronts and Milestones: Are There Changes Afoot?

Royalty Rates by Phase and Indication
Royalties and Generics: The Beginning of the End?
Royalties and IP Valuation
IP Value and Market Cap
Monetising the Royalty Stream
The Utility Cost of Cashing In: Jam Today or More Jam Tomorrow?

Chapter 5

Current Thinking

Royalties: A Review of Recent Literature
Auditing the Pharma Royalty Market – ‘Lies, Damned Lies, and Statistics’?

How to order

For further details or to order this authoritative new report:

Call

+44 (0) 1865 784 177

E-mail

enquiries@pharmaventures.com

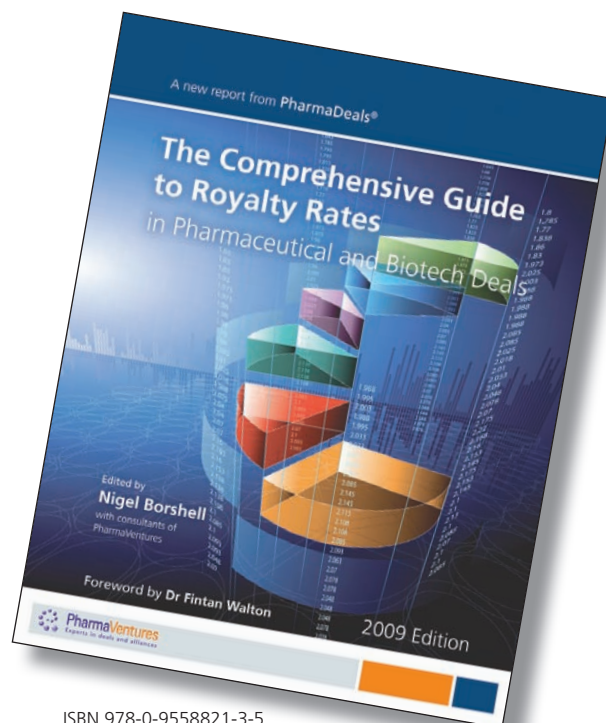
Or order online at:

www.pharmaventures.com/shop

Addendum

Royalty Rates Chart
Drug X Utility Cost: eNPV and Discount Rate Calculation
Royalty Monetisers' Key Deals
Royalty Rate Expectations in Pharmaceutical Agreements: Data from the 2007 Pharmaventures Survey

Glossary of Terms



ISBN 978-0-9558821-3-5

Intelligence Reports

from PharmaDeals

Deal Making in the New Healthcare Landscape

Leveraging your Deal through Pricing and Reimbursement Considerations

Pharmaceutical Deal Structures

The Essential Manual for Deal Makers

Effective Licensing & Commercialisation of Drug Delivery Systems

Facts and Trends in Deal Making

A Perspective on the Pharma and Biotech Industries

Competition Law and Intellectual Property Strategy in the Pharmaceuticals Sector

Pricing and Reimbursement Risk and Opportunity in Pharmaceutical Deal Making

The Pharmaceutical Deals of 2006

Lessons for 2007

Strategies and Tactics for Successful Partnering



www.pharmaventures.com/pharmadeals/reports

PharmaDeals® is a registered Trade Mark of PharmaVentures Ltd