

Cancer MAB Phase 1 USD 520 Mio

General

Project:	KW-0761	Licensor:	Licensor:
Year of Licensing:	2008		Licensor:
Licensing Phase:	Phase 1		Licensor:
Current Phase:	Phase 1	KYOWA KIRIN	AMGEN
Upfront:	USD 100 Mio		
Total Milestones:	USD 420 Mio		
Royalties:	Double digit	Kyowa Hakko www.kyowakirin.co.jp/english Ohtemachi, Chiyoda-ku Tokyo, 100-8185, Japan	Amgen www.amgen.com One Amgen Center Drive Thousand Oaks, CA, USA

Scientific Details

Disease Area:	Cancer	Indication 1:	Lymphoma
Type:	Biological	Indication 2:	Allergic rhinitis
Class:	MAB		
Mechanism of Action:	CCR4 blocker		

Deal Type

	Worldwide	North America	Europe	Japan	Rest of world
Straight License		•	•		•
Profit Share					
Co-Development					
Co-Marketing					
Co-Promotion					

Reported Deal Terms (in USD Mio)

Upfront	Equity	R&D Funding	Preclinical	Phase 1	Phase 2	Phase 3	Filing	Approval	Sales Milestones	Total Milestones	Profit Share	Royalties
100										420		dd

Deal Summary

Under the agreement Amgen will receive an exclusive license to develop and commercialize Kyowa Hakko's humanized monoclonal antibody KW-0761 worldwide, except in Japan, Korea, China and Taiwan. Kyowa Hakko will retain the development and commercialization rights in these countries. Under the terms of the deal, Amgen will make an upfront payment to Kyowa Hakko of \$100 million. Kyowa Hakko could receive up to \$420 million in additional payments, including development, approval and sales milestones. Kyowa Hakko will also be entitled to receive double-digit royalties on sales.

Sources

Press Release http://www.amgen.com/media/media_pr_detail.jsp?releaseID=1115880

Deal Metrics (in USD Mio)

Peak Sales	Upfront	Preclinical	Phase 1	Phase 2	Phase 3	Filing	Approval	Sales Milestones	Total Milestones	Royalties	Total Value (at 12%)	Value Share Licensor	IRR Licensee	Royalties/Deal Value
1,000	100	-	-	10	20	40	100/50	200	420	10%	308	58%	15,9%	22%
2,000	100	-	-	10	20	40	100/50	200	420	10%	651	31%	22,2%	39%

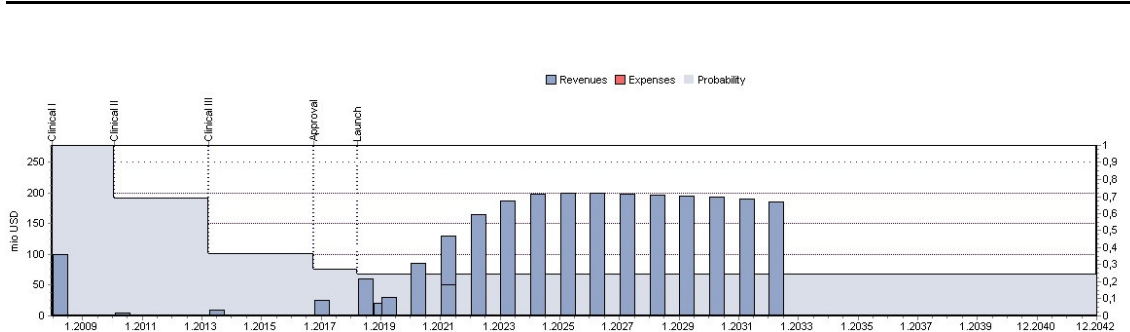


Figure 1: Cash flow Kyowa Hakko with USD 2,000 Mio sales.

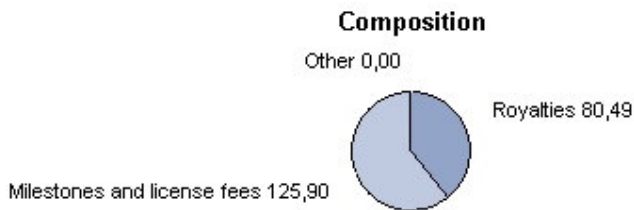


Figure 2: Composition Royalties/Milestone payments with USD 2,000 Mio sales.

Interpretation

Amgen clearly expects an enormous potential. Even if we backload the deal as much as possible (high sales milestones, very little phase 2 and phase 3 milestone payments, lowest possible double-digit royalties on sales), the value share is still very high for a phase 1 deal. It is clear that a very high sales potential is expected, therefore the sales scenario with USD 2,000 Mio is the more reasonable. The deal terms could also be driven by higher than average MAB success rates.