



Plus Master Class: 28 March 2007  
**How to Successfully Achieve an Exit and Maximise  
 Value in The Life Sciences Sector**

*"M&A may be best medicine  
 for mid-sized pharma groups  
 – a raft of deals between  
 Europe's smaller drugs  
 companies points to a trend"*  
 – The Financial Times - 26.09.06

*"Drugs sector enjoys  
 dealmaking surge"*  
 – Financial News - 2.10.06

*"One pill makes you larger:  
 a wave of pharma mergers as  
 new drug costs soar"*  
 – The Financial Times - 4.10.06

*"Drug group deals gather  
 pace – Merck buys Serono for  
 10.6bn euros and Altana sells  
 unit for 4.5 bn euros"*  
 – The Financial Times - 22.09.06

#### **Hear From The Experts**

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Geron Corporation

Novartis Pharma AG

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C5's Advanced Forum on

# Life Sciences M&A and Strategic Alliances

The Latest Innovations and Successful Strategies for  
 Deal Making in a Competitive European Market

29 and 30 March 2007 • Millennium Hotel, Knightsbridge, London

**The key industry players and leading lawyers will provide insights  
 on the hottest issues, including:**

- Securing the best price: deal valuation and negotiation
- Key competition law issues you should be aware of
- The hot developments in the M&A and strategic alliances market
- What are your best funding options for 2007?
- How to achieve a win-win collaboration
- Choosing the right deal structure for your company
- How to identify and address your target's current and foreseeable legal baggage
- The latest and hottest techniques in the private and public M&A process
- Cutting edge strategies for drafting and successfully negotiating the key contracts
- Key issues to consider when preparing for an IPO

Up to  
 17.5 **CPD**

#### **CONFERENCE CO-CHAIED BY:**

**Mark Rogers**

Director, Licensing and Development  
**Pfizer Inc**

**David Earp J.D., Ph.D.**

Patent Counsel, Senior Vice President  
 Business Development, **Geron Corporation**

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# Life Sciences M&A and Strategic Alliances

In this challenging environment, emerging biotech companies are exploring strategic partnering opportunities that enhance enterprise value and facilitate management of the significant cost and resource requirements needed to bring a drug to the market. Meanwhile pharmaceutical companies are facing thinning product pipelines and a number of drugs coming off patent, threatening future revenue streams.

As a result, the life sciences sector's appetite for external deals has experienced tremendous growth over the last few years as companies take **advantage of M&A and strategic alliances as a pathway for financial success.**

In the last few months takeovers such as **Barr/Pliva, Merck/Serono, Nycomed/Altana, UCB/Schwarz Pharma** have shaken up the industry and this consolidation is building momentum at breakneck speed.

It is therefore vital to have an in-depth and up to the minute understanding of the latest developments, changes in the global marketplace and the **hottest techniques and strategies in order to select the right collaborative strategy or funding option, effectively structure the documents, establish a robust due diligence process and ultimately achieve the best deal.**

Our distinguished faculty will provide you with practical information and insights from their own experiences on:-

- How to select the right partner and deal structure to build a win/win collaboration
- The strategies and pitfalls in negotiating the key documents

- How to value the deal and negotiate and secure the best price
- Avoiding competition law pitfalls
- What mix of funding options should you be considering?
- Key strategies for effectively structuring the deal
- Due diligence - Tips for finding the warts
- The private and public M&A process – what works, how and why
- Financing strategy: IPO vs mezzanine vs another private round?
- What is the right time for biotech to partner and what are the main assets that pharma is looking for?

Plus-add value to your attendance by signing up for **C5's Master Class – How to Successfully Achieve An Exit and Maximise Value in the Life Sciences Sector.** This hands-on step by step Master Class will walk you through the strategic alliance which morphs into a merger including how to achieve the best valuation, structure the trade sale and negotiate the terms from heads of agreement to draft documents.

Join us for this unique opportunity to learn successful life sciences dealmaking. Hear from and network with industry leaders, top experts and colleagues. Register now to secure your place at this event by calling + 44 20 7878 6880 or on line at **[www.C5-Online.com/lifesciences](http://www.C5-Online.com/lifesciences)**

## WHO SHOULD ATTEND?

- Solicitors specialising in Life Sciences, Intellectual Property, Corporate and M&A
- Within large pharma and biotech companies: Directors and Managers of :
  - Business/Corporate development departments
  - Strategic Planning departments
  - Corporate Finance/Corporate M&A departments
  - Licensing and Development departments
  - IP departments
  - Legal departments including General Legal Counsel
- Within small pharma and biotech companies: CEOs, CFOs and Commercial Directors
- Within banks and other financial institutions: VPs and Directors of Life Sciences/ Healthcare/ Pharmaceutical departments
- Within accountancy firms: Partners and Heads of Pharmaceutical/Healthcare/Lifesciences departments
- Within venture capital companies, hedge funds and private equity firms: Managing partners, CEOs, CFOs, Managing Directors, Legal Counsel, Investment Director

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**Thursday 29 March 2007**

**8:30 Registration and Coffee ☕**

**9:00 Chair's Opening Remarks**

**Mark Rogers**

Director, Licensing and Development, **Pfizer Inc**

**9:15 The Life Sciences M&A and Strategic Alliances Market: Drivers, Investors and New Players**

**Barry Kenny**

Commercial Director, **Paradigm Therapeutics Limited**

**Sam Fazeli**

Managing Director – Head of European Equity Research, **Piper Jaffray Limited**

**Penny Attridge**

Director of IP Development, **Questor**

**Guy Slimmon**

Managing Director, **Goldman Sachs International**

- Where is the biotech industry headed?
- Why is there so much consolidation?
- Is M&A a good thing?
- What is the right time for biotech to partner?
- What are the main assets that pharma is looking for through a partnership or an acquisition?
- Who is buying?
- How much are they paying?
- Why are they buying those particular companies?
- How do you make your company attractive?
- Do strategic alliances help or hinder next round finance or trade sales?

**10:15 Valuation – Forecasting or Fortune Telling?**

**David Beadle**

Managing Director, European Pharmaceutical Equity Research, **UBS Limited**

**Tibor Papp**

Head of Consultancy, **PharmaVentures Limited**

**Matthew Frohn**

Director, **Oxford Technology Management**

- How do you value a life sciences company on a sale?
- Valuation for an IPO
- Strategic alliance valuation
- Minority shareholdings
- Cashflows
- Valuing revenue streams
- Valuing milestones
- Valuing assets under development
- Timing a transaction to maximise return as value increases moving through the approval process
- What have been the key trends in valuing biopharmaceutical companies in M&As in the past 5 years and what is expected going forward?
- What strategies do small-medium sized companies apply to maximise their acquisition value?
- How do external factors influence company valuations (therapy area, partnering, competition, governments)?

**11:15 Morning Refreshments**

**11:30 What Are Your Best Funding Options in 2007?**

**Martin Austin**

Managing Director, **TransformRx GmbH**

**Kevin Jones**

Partner, **Wragge & Co LLP**

**Joel Besse**

Senior Partner, **Atlas Venture**

- Private equity/venture capital

Roundtable Discussion

- Alternative funding strategies for biotechs
  - monetarisation of royalty streams
  - strategic resourcing
  - PIPES etc
- M&A
- Listing
- Strategic alliances and investor collaborations
- Royalty funding
- Revenue funding
- Stages and players
- Characteristics
- Time value of money
- Structural flexibility
- Freedoms and constraints
- Examples of success
- Problem children
- Caveats
- Covenants

**12:30 Networking Lunch** 🧑🧑

**1:30 Structuring the M&A Deal – Setting the Stage for Success**

**Nicola Maguire**

Partner, **Reed Smith**

**Michele Ollier**

Principal, **Index Ventures**

- Initial discussions – exclusivity/break free
- Comparing asset sale vs share sale
- Consideration – cash, shares or other paper
- Price adjustment – completion accounts
- Earnouts/deferred payment
- Retention of part of purchase price
- Conditions precedent
- Intellectual property issues
- Tax issues
- Dealing with stock options
- Dealing with pension schemes
- Transfer of existing agreements to purchaser
- On-going services to be provided by seller
- Equity stakes as part of a strategic alliance – AstraZeneca and CAT deal case study

**2:30 Establishing a Robust Due Diligence Process for M&A and Strategic Alliances: Tips for Finding the Warts Before Finalising the Deal**

**Lesley Stolz**

Senior Director Business Development, **GPC Biotech**

**Dr Mike Murray**

SVP Business Development, **Amura Therapeutics Limited**

**Sally Shorthose**

Partner, **Bird & Bird**

**Jane Dancer**

Director, Business Development

**Cambridge Antibody Technology Limited**

Roundtable Discussion

- IP
  - identifying the products
  - sources of information
  - freedom to operate analysis
  - validity
  - inventorship
- Analysis of licenses in and out
- Analysis of
  - agreements
  - licenses in and out
  - CDAs
  - MTAs
  - consulting agreements
- Financial due diligence
- HR – including local laws
- Legal
- Commercial
- Regulatory
- Scientific

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## 4:00 Afternoon Refreshments

### 4:15 The Private M&A Process – Tips and Strategies For a Marriage Made in Heaven

**Simon Walker**

Partner, **Taylor Wessing**

- Preparation
  - confidentiality
  - due diligence
- Term sheet
- Warranty escrow
- Warranty structures
  - warrantors
  - indemnity
- Limitations on warranties
  - time limitation
  - cap
  - materiality threshold
- Sellers representative
- Disclosure letter
- Non-compete restrictions
- Warranty insurance

## 5:00 Conference Adjourns

**Friday 30 March 2007**

## 8:30 Coffee ☕

### 9:00 Chair's Opening Remarks

**David Earp J.D., Ph.D.**

Patent Counsel, Senior Vice President Business Development, **Geron Corporation**

### 9:15 Navigating the Tricky Waters of the Public M&A Process

**Jane Hobson**

Partner, **Baker & McKenzie**

**Helen Bradley**

Partner, **Baker & McKenzie**

- Being acquired by a public company:
- Key distinguishing features from private M&A
  - timing
  - approvals
  - shareholder circular
  - public announcements
  - period between contract and completion
  - repetition of warranties
  - MAC
  - covenants
- Public company takeovers:
- Overview of process and timetable
- Role of target board and advisers
- Key industry drivers
  - due diligence
  - certainty
  - deferred consideration
- Mergers

### 10:15 Avoiding Competition Law Pitfalls for M&A and Strategic Alliances

**Jacquelyn MacLennan**

Partner, **White & Case LLP**

- M&A/JVs
- Comparison of legal framework - EU and US
- What triggers the law?
- How is dominance determined?
- Some recent changes and pending changes
- Referral system – EU and Member States
- Recent cases in the sector
- Practical considerations
- Licensing
- Enforcement competence: decentralisation and self assessment

- Technology Transfer Block Exemption
  - useful guidance or straight jacket?
  - hardcore – not permitted – restrictions
  - grey list restrictions
  - tricky issues
    - market share
    - know how
    - multiparty licences

## 11:15 Morning Refreshments

### 11:30 The Public Markets As An Alternative Exit

**Tim Stocks**

Partner, **Taylor Wessing**

**Kevin Johnson**

Venture Advisor, **Index Ventures**

- Financing strategy: IPO vs. mezzanine vs. another private round
- Public paper as currency for business transactions
- Preparing for an IPO – issues to consider
- Choice of exchange (LSE, AIM, NASDAQ, Euronext ie Mini-IPO vs. full listing)
- Is the IPO an “exit” event?
- Valuation and milestones
- Costs incurred in an IPO
- IPO – the process
- IPO – the team
- What will make an institutional investor buy your paper?
- Regulation and the life science company
- Managing newsflow
- Ongoing costs of being a listed company

## 12:30 Networking Lunch

### 1:30 So Now You Are Public – What Next?

**Edward Dawes**

Partner, **Wragge & Co LLP**

**David Beadle**

Managing Director, European Pharmaceutical Equity Research, **UBS Limited**

- What are the reporting requirements?
- The combined code
- Insider dealing
- Granting options
- The role of the broker/NOMAD
- Dealing with analysts
- Investor relations
- What are the personal liability issues?
- Director protection
- Continuing obligations
- The Model Code
- Dealing with bid approaches
- Classification and regulation of transactions
- Disclosure rules
- Raising further funds
- Disclosure rules

### 2:30 Strategic Alliances: Finding the Right Ingredients and Recipe for Financial Success

**David Earp J.D., Ph.D.,**

Patent Counsel, Senior Vice President Business Development, **Geron Corporation**

**Roland Kozlowski**

CEO, **Lectus Therapeutics**

- Analysis of recent biotech examples
- What is each party trying to achieve?
- The key issues for big pharma and biotech
- The impact on the biotech company – the pros
- The impact on the biotech company – the cons
- Leveraging a platform technology in drug discovery
- Early stage collaboration
- Aligning the interests between pharma and biotech
- The role of the corporate investor

### 3:15 Afternoon Refreshments

#### 3:30 Structuring Strategic Alliances: The Latest Techniques – What Works, Why & How

**Lesley Stolz**

Senior Director Business Development, **GPC Biotech**

**Francesco Patalano**

Managing Director, **SkyePharma**

**Roland Kozlowski**

CEO, **Lectus Therapeutics**

**Theresa Stevens**

Global BD&L, Head Negotiations, General Medicines

**Novartis Pharma AG**

- Termination provisions
- Reversion rights (and costs)
- Press releases and biobucks
- Field and territory
- Upfront payments
- Milestones
- Royalty arrangements and stacking
- Equity stakes
- IP issues including enforcement rights and improvements
- Trademarks
- Governance and decision making
- Regulatory issues
- Manufacturing
- Diligence
- Commercialisation
- Comparisons between western and eastern pharma
- Time for partnering: early development phase vs late phase III
- Balancing the risk between the parties

#### 4:30 Strategic Alliances: Dealing with Contractual Issues From The Front Line

**Jerry Temko**

Vice President & General Counsel

**Astellas Pharma Europe Limited**

**Patrick Wheeler**

Partner, **Collyer Bristow**

- Heads of terms – help or hindrance?
- Definitions – it all depends what you mean by...
- IPR: who brings what to the party, and what's in the party bag?
- Licence terms – the "must-have's" and the "wish list"
- Sub-licensing/sub-contracting – who has control?
- Consideration – what do you speculate: what do you accumulate?
- Audit: use it (sensibly) or lose it
- Confidentiality – the perils of careless whispers
- Warranties and indemnities...and insurance
- Termination and post-termination: breaking up is hard to do...properly

### 5:30 Conference Ends

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## The Master Class

28 March 2007 – 1pm to 5pm

### How to Successfully Achieve an Exit And Maximise Value in The Life Sciences Sector

**Nicola Maguire**

Partner

**Reed Smith**

*The structure of deals in the life sciences sector is becoming increasingly complex and innovated. We are now seeing an explosion of licensing transactions morphing into sophisticated strategic alliances or acquisitions. From the smaller company's perspective it is vital to consider what the eventual result of entering licensing discussions might be and from the pharma company's point of view, the impact of your licensor/partner being acquired. This Master Class will investigate the ways in which the value of the company can be maintained and enhanced with the right deal. We will also examine the consequences of the US trend of developing products in-house for longer and thereby maximising the value of the company.*

*The Master Class will scrutinise the licence/strategic alliance process beginning as a joint venture and then turning into a merger. The initial term sheet will be examined and the key issues arising in licensing transactions and how they affect the structure of the deal. You will then learn how to effectively structure a joint venture to overcome the limitations that a licence may have. You will also consider how a joint venture can end up as a merger and the key issues involved.*

*During this hands-on Master Class you will be guided through the actual process using interactive exercises and you will have plenty of opportunities to raise questions and discuss issues which concern you.*

#### Topics to be covered include:

Brief presentation on deal trends  
Getting the deal started

- issues with the early negotiations
- key issues to include in the term sheet
- doing the deal in the optimal time scale
- concerns with option agreements

The licensing transaction

- terms of a licence which are vital to valuation
- terms of a licence which undermine the value of the business on an exit
- dealing with competition
- issues with splitting of indications and/or the territory
- co-promotion, a good thing or a bad thing?

The joint venture

- what is a joint venture and how is it different from a strategic alliance?
- how to structure a joint venture
- governance issues
- resolving disputes
- how do you exit from the joint venture?

The acquisition

- what are the critical issues to bear in mind?
- how do joint ventures become acquisitions?
- key issues to bear in mind in relation to a private company acquisition
- critical issues to bear in mind in a public company acquisition
- how do the deals you have done affect the company valuation?

# Life Sciences M&A and Strategic Alliances

(Please photocopy for additional delegates)

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## PAYMENT

Register \_\_\_\_ delegates for Masterclass @ £599 plus 17.5 % VAT = £703.83

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Register \_\_\_\_ delegates for Conference + Masterclass @ (£100 discount for attending both):  
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## ADMINISTRATION DETAILS

### CONFERENCE

DATE: 29 & 30 March 2007

TIME: 9:00 a.m. - Registration and distribution  
of documentation from 8:30 a.m.

VENUE: Millennium Hotel, Knightsbridge

ADDRESS: 17 Sloane Street, London SW1X 9NU

TEL.: +44 (0) 20 7235 4377

UNDERGROUND: Knightsbridge

### MASTERCLASS

DATE: 28 March 2007

TIME: 1:00 p.m. - 5:00 p.m.

CONFERENCE LANGUAGE: English

### HOTEL ACCOMMODATION

An allocation of bedrooms are being held for delegates at a negotiated rate until 14 February 2007. To book your accommodation please call Venue Search on tel: +44 (0) 20 8541 5656 or email [beds@venuesearch.co.uk](mailto:beds@venuesearch.co.uk). Please note, lower rates may be available when booking via internet or direct with the hotel but different cancellation policies will apply.

### CONTINUING EDUCATION

Counts as 13.5 hours or 17.5 hours (Master class: 4 hours) towards Continuing Professional Development hours (Law Society Reference No.: BJEUFO)

### DOCUMENTATION

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