



Biotech/Pharma R&D: Role of Licensing/M&A

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About Infinity

- **Small molecule drug discovery & development company**
- **Targeted-therapies for cancer and related conditions**
 - **Small molecule inhibitor of Heat Shock Protein 90**
 - Phase I trials in multiple myeloma & gastrointestinal stromal tumors
 - **Inhibitor of the “hedgehog” cell signaling pathway in preclinical development**
- **Founded in 2001; began trading on Nasdaq in September 2006**
- **Active corporate partnering program**
 - **Drug development alliances with MedImmune & Novartis**
 - **Drug discovery collaborations with Novartis, J&J & Amgen**
- **+/- 110 employees; based in Cambridge, Massachusetts**



Why License/Acquire/Merge?

- **Access Technology**
 - New platforms
 - Avoid infringement
- **Gain Expertise**
- **Obtain Market Presence**
 - New disease areas
 - New territories
- **Fill Pipeline Gap**
- **Mitigate Portfolio Risk**
- **Utilize Excess Capacity**
- **Meet Revenue Challenge**
- **Access Capital**
- **Exit Strategy**

Transactions May Take Many Forms

- **Outright Acquisition**
 - Those requiring significant reorganization
 - Those retaining acquired company as stand-alone entity
- **Purchase of Majority Stake**
- **Product-Specific Development/Commercialization Alliance**

Overarching Objective of All Transactions

**Deliver new and better medicines,
to more patients,
as quickly and efficiently as possible**

Do Transactions Advance This Objective?

- **Yes...in theory.**
- **In practice, not all of them ultimately do.**
- **Can one predict whether any particular transaction is more/less likely to advance objective or result in efficiencies by analyzing:**
 - **Underlying motivation for transaction?**
 - **Transaction structure?**
 - **Transaction size?**
 - **Size of parties?**
 - **Location of parties?**

Critical Success Factors

- **Alignment of both parties with respect to objectives**
- **Clear plan and effective follow-through on management of combined entity/joint activity**
- **In biotech/pharma transactions, ability to overcome cultural differences**
 - **Small molecules vs. biologics (large molecules)**
 - **Broad markets vs. niche diseases**
 - **Entrepreneurial culture vs. big business**