

## Transaction Overview: Bristol-Myers Squibb's Sale of Diabetes Business to AstraZeneca

- AstraZeneca will acquire global rights to all diabetes collaboration products, including includes *Onglyza* (saxagliptin), *Kombiglyze XR/Komboglyze* (saxagliptin and metformin Hcl extended release), dapagliflozin (marketed as *Forxiga* outside the U.S.), *Byetta* (exenatide), *Bydureon* (exenatide extended-release for injectable suspension), *Symmlin* (pramlintide acetate) and metreleptin. The agreement also includes sale of the former Amylin manufacturing facility in West Chester, Ohio, and includes the purchase by AstraZeneca of Bristol-Myers Squibb's Mt. Vernon, Indiana manufacturing facility approximately 18 months following the closing of the transaction.
- Subject to local consultation and legislation, Bristol-Myers Squibb and AstraZeneca anticipate that substantially all employees of Bristol-Myers Squibb dedicated to the diabetes business will be transferred to AstraZeneca.
- The agreement, which is subject to customary regulatory clearances, is expected to close in most geographies in the 1st quarter of 2014.

## Financial Terms:

- Upfront payment: \$2.7 billion upon closing
- Approval Milestones: up to \$800 million
  - Dapagliflozin US: \$600M (expected 2014)
  - Forxiga Japan: \$100M (expected 2014)
  - Ex-US Saxa/Dapa FDC \$100M (expected 2016)
- Sales Performance Milestones: up to \$600 million (cumulative 2015-2019), payable in 2020
  - \$150M if cumulative US sales reach \$8.5 B
  - \$150M if cumulative US sales reach \$10.5 B
  - \$150M if cumulative ex-US sales reach \$6.0 B
  - \$150M if cumulative ex-US sales reach \$8.0 B
- Additionally, AZ will make a payment of up to \$225M if and when certain assets related to the Mt. Vernon facility and our business in China, are subsequently transferred.
- R&D Funding:
  - BMS to continue to fund certain pre-specified clinical trials, primarily related to saxagliptin and dapagliflozin, through 2016
- Royalties on Net Sales:

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Post 2025</u>
Non-Amylin WW Net Sales up to \$500M	44%	35%	27%	12%	20%	22%	25%	20%	19%	15%	15%	14%	0%
Non-Amylin WW Net Sales over \$500M	3%	7%	9%	12%	20%	22%	25%	20%	19%	15%	15%	14%	0%
Amylin US Net Sales	0%	2%	2%	5%	10%	12%	12%	10%	9%	9%	6%	5%	0%

### Notes:

- 1) Amylin includes *Byetta*, *Bydureon*, *Metreleptin* and *Symmlin*
- 2) No royalties due on Amylin Ex-US Sales
- 3) Proceeds at closing will be subject to an additional adjustment, based on working capital at the closing date
- 4) The information included herein is as of December 19, 2013