



**ROYALTY PHARMA**

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**Royalty Pharma**

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**Royalty Pharma Acquires a Portion of Northwestern University's Royalty Interest  
in Lyrica® for \$700 Million**

New York, NY, Dec. 18, 2007 – Royalty Pharma and Northwestern University announced today that Northwestern has sold a portion of its worldwide royalty interest in Lyrica® to Royalty Pharma for \$700 million in cash.

A portion of the payment to Northwestern will go to the researchers who were responsible for the chemical compound that serves as the basis for Lyrica®.

“We’re very pleased to have reached this agreement with Royalty Pharma,” said Eugene S. Sunshine, Northwestern’s senior vice president for business and finance. “Beginning with the original research done at Northwestern, the development of Lyrica® has brought relief to thousands of patients worldwide. This exemplifies the type of cutting-edge research that is occurring at Northwestern.”

“We are happy to add this royalty on an important pain therapy to our diversified portfolio of royalties on leading biopharmaceutical products,” said Pablo Legorreta, Chief Executive Officer of Royalty Pharma. “This transaction exemplifies our commitment to

providing leading institutions such as Northwestern with funds that will allow them to continue to pursue their academic and research initiatives. We are confident that these funds will result in continued innovations and advances that will better people's lives."

Lyrica® is used to treat nerve pain associated with diabetes and shingles and to help manage pain caused by fibromyalgia. It is manufactured by Pfizer, Inc., the world's largest research-based biomedical and pharmaceutical company. Lyrica® is based on the chemical compound pregabalin, first synthesized at Northwestern.

The net proceeds from the partial sale of royalty rights will be placed in the University's endowment, Sunshine said. As part of the endowment, the proceeds will be used in accordance with federal law to help support financial aid for undergraduate and graduate students; startup costs for the University's research efforts; construction of new buildings and laboratories and improvements to existing facilities; and for other purposes.

"Essentially, we are converting a potential stream of future royalty revenues from Lyrica into an immediate cash payment," Sunshine explained. "We continue to believe strongly in Lyrica's potential and Northwestern retains a large portion of those royalty rights, but by doing this, we are diversifying the University's investments."

The percentage of the University's interest in the royalty payments that was sold today is not being disclosed.

Morgan Stanley is acting as structuring advisor and Covington & Burling LLP is acting as the legal advisor to Northwestern University for this sale. Goodwin Procter LLP is acting as legal advisor to Royalty Pharma for this sale.

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## **About Northwestern University**

Founded in 1851, Northwestern University is a leading private research and teaching university with an enrollment of approximately 8,000 full-time undergraduate students and approximately 7,000 full-time graduate and professional students on campuses in Evanston and Chicago, Illinois.

Northwestern combines innovative teaching and pioneering research in a highly collaborative environment that transcends traditional academic boundaries. Northwestern provides students and faculty exceptional opportunities for intellectual, personal and professional growth in a setting enhanced by the richness of Chicago.

For more information, go to: <http://www.northwestern.edu>

## **About Royalty Pharma**

Royalty Pharma is the industry leader in acquiring revenue-producing intellectual property – principally royalty interests in marketed and late stage biopharmaceutical products with a market value of over \$4.5 billion. Royalty Pharma currently owns a diversified portfolio of royalty interests in several high-quality blockbuster biopharmaceutical products, including Abbott's Humira®, J&J/Centocor's Remicade®, Amgen's Neupogen® and Neulasta®, Genentech's Rituxan®, Gilead's Emtriva®, Truvada® and Atripla®, and Celgene's Thalomid®.

The company has a ten year history of providing value to holders of royalty interests, including its \$650 million purchase of the Remicade® royalty from New York University, its \$700 million purchase of the Humira® royalty from AstraZeneca plc, its joint \$525 million acquisition with Gilead Sciences of Emory University's emtricitabine royalty interest and its acquisitions of approximately 80% of Memorial Sloan Kettering's U.S. and international royalty interests in Neupogen® and Neulasta® for over \$400 million.

More information on Royalty Pharma is available at [www.royaltypharma.com](http://www.royaltypharma.com)