ROYALTY PHARMA

Royalty Pharma Announces $3.3 Billion Royalty Transaction with Cystic Fibrosis Foundation Therapeutics

Largest pharmaceutical royalty purchase ever completed

Funds will be used to expand cystic fibrosis research, care and patient programs

NEW YORK (NY), November 19, 2014 – Royalty Pharma announced today its acquisition of royalties on Vertex Pharmaceuticals' cystic fibrosis treatments owned by Cystic Fibrosis Foundation Therapeutics' ("CFFT"), an affiliate of the Cystic Fibrosis Foundation, for a cash payment of $3.3 billion.

"We are honored to work with the Cystic Fibrosis Foundation on this extraordinary royalty transaction," said Pablo Legorreta, Royalty Pharma's Founder & Chief Executive Officer. "Our goal is to be the premier provider of innovative capital to enable the life sciences industry to accelerate development of important novel therapies. Furthermore, this transaction represents an important validation of the Foundation's bold vision under Dr. Beall's leadership to fund new drug development as part of its successful venture philanthropy model. These therapies are notable examples of fundamental research leading to breakthrough treatments that dramatically improve patient's lives."

"This is a transformational moment for people with cystic fibrosis and the entire CF community," said Robert J. Beall, Ph.D., President and Chief Executive Officer of the Cystic Fibrosis Foundation. "These new funds give us a tremendous opportunity to supercharge our efforts to develop lifesaving new therapies, ensure that the best possible care and resources are available for people with CF, and pursue daring, new opportunities that one day may lead to a permanent, lifelong cure for this disease."

Cystic fibrosis is a fatal genetic disease that primarily affects the lungs and digestive system. An estimated 70,000 children and adults worldwide have cystic fibrosis. For most of the last century, scientists and physicians had very little understanding of the disease, other than the fact that very few patients ever reached adulthood. In 1989, CFF-sponsored scientists identified the cystic fibrosis transmembrane conductance regulator (the "CFTR") gene, which is defective in patients with cystic fibrosis. This breakthrough 25 years ago paved the way for the discovery of Kalydeco® and other products, which were specifically engineered to treat the underlying cause of cystic fibrosis.

Bank of America Merrill Lynch acted as financial advisors to Royalty Pharma in this transaction and Goodwin Procter acted as legal advisor. Royalty Pharma financed this acquisition with cash on hand and a $2.7 billion unsecured term loan provided by Bank of America Merrill Lynch. Morgan Stanley acted as the exclusive Structuring Agent for CFFT and Schaner & Lubitz acted as legal counsel.

About Royalty Pharma: Royalty Pharma is the industry leader in acquiring royalty interests in marketed and late stage biopharmaceutical products, with total assets of over $12 billion. Royalty Pharma owns royalty interests in 40 products including Humira®, Remicade®, Rituxan®, Lyrica®, Prezista®, Atripla®, Truvada®, Complera®, Stribild®, Neupogen®/Neulasta®, Januvia®/Janumet®, Nesina®, Tradjenta®, Onglyza®/Kombiglyze®, Tecfidera® and Imbruvica®. Royalty Pharma also funds late-stage clinical trials in exchange for royalty interests. More information at www.royaltypharma.com.

For more information about cystic fibrosis, please go to www.cff.org.

Contact Information	
Royalty Pharma Alexander v. Perfall aperfall@royaltypharma.com + 1 (212) 883-2298	Abernathy MacGregor Tom Johnson tbj@abmac.com Luke Barrett lpb@abmac.com + 1 (212) 371-5999