

# ROYALTY PHARMA

## ROYALTY PHARMA RAISES \$3.6 BILLION TO REFINANCE \$2.75 BILLION OF OUTSTANDING DEBT AND TO FUND AN \$850 MILLION CASH DISTRIBUTION TO SHAREHOLDERS

**NEW YORK – September 7, 2011** – Royalty Pharma, the industry leader in acquiring royalty interests in marketed and late stage biopharmaceutical products, announced that it has successfully refinanced \$2.75 billion of outstanding debt and funded a one-time \$850 million cash distribution to shareholders.

Royalty Pharma created two borrowing vehicles to raise a total of \$3.6 billion. RPI Finance Trust (“RPIFT”) entered into a \$2.75 billion debt facility comprised of: a \$850 million 5¼ year tranche (priced at Libor+2.75%) and a \$1.9 billion 6¾ year tranche (priced at Libor+3.00%). RP Select Finance Trust (“RPSFT”) entered into a \$850 million 5¼ year facility (priced at Libor+2.25%). Both facilities were very well received, with over 130 institutions participating. By bifurcating the facilities, Royalty Pharma attracted traditional commercial bank lenders to the shorter tranche and institutional lenders & funds to the longer tranche. Upon issuance of the new debt, both vehicles had conservative leverage ratios (measured as total debt to EBITDA) of 3.3x for Royalty Pharma Investments and 4.0x for Royalty Pharma Select. Given its lower leverage ratio, RPIFT will have meaningful additional leverage capacity to fund future royalty acquisitions. All facilities received investment grade ratings from Moody’s Investor Service, Standard & Poor’s and Fitch Ratings.

Pablo Legorreta, Founder & Chief Executive Officer, commented, “Overall, we are very pleased with the positive outcome of this transaction, especially in light of the recent market turmoil. We believe the robust execution underscores the strength of Royalty Pharma’s reputation in the debt markets and the underlying high quality of our well diversified royalty portfolio”.

Susannah Gray, Executive Vice President and Chief Financial Officer commented, “The continued support of our lenders demonstrates their confidence in Royalty Pharma’s credit profile. We are thankful for their support in what turned out to be one of the largest debt markets transactions of 2011 to date”.

Bank of America Merrill Lynch acted as lead book runner. Goldman Sachs and Citigroup acted as joint-book runners. Lazard Frères acted as financial advisors and Davis Polk & Wardwell, and Akin Gump, Strauss, Hauer & Feld, LLP as legal advisors to Royalty Pharma.

### About Royalty Pharma

Royalty Pharma is a unique company and the industry leader in acquiring revenue-producing intellectual property -- principally royalty interests in marketed and late stage biopharmaceutical products -- with over \$7 billion in assets, including royalty assets of \$6.25 billion. In 2010, our revenues were \$808 million and EBITDA was \$783 million. In 2011, we expect royalty revenue in excess of \$1.1 billion. Our portfolio includes royalties in the following products: Abbott’s *Humira*®, Johnson and Johnson’s *Remicade*® and *Prezista*®, Gilead’s *Atripla*®, *Truvada*® and *Emtriva*®, Pfizer’s *Lyricea*®, Amgen’s *Neupogen*® and *Neulasta*®, Genentech’s *Rituxan*®, Forest’s *Savella*®, Astella’s *Lexiscan*® and Merck’s *Januvia/Janumet*®. The company has a fifteen year history of providing value to holders of royalty interests, including its \$700 million acquisition of AstraZeneca’s *Humira* royalty, its \$700 million purchase of a portion of Northwestern University’s *Lyricea* royalty, its \$650 million purchase of New York University’s *Remicade* royalty, its joint \$525 million acquisition with Gilead Sciences of Emory University’s *emtricitabine* royalty interests and its \$609 million acquisition of Astellas’ *DPP-IV* patent estate and associated royalty interests.

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