

iQ – IFIT Quarterly

Health could be your best investment

Zurich, 19 March 2012



Investing in Health

Why?

The pharma/biotech & MedTech sector is worldwide

Global Pharma market \$0.9 trillion

The sector is mature and steady

The sector is defensive

Many stocks provided outstanding return

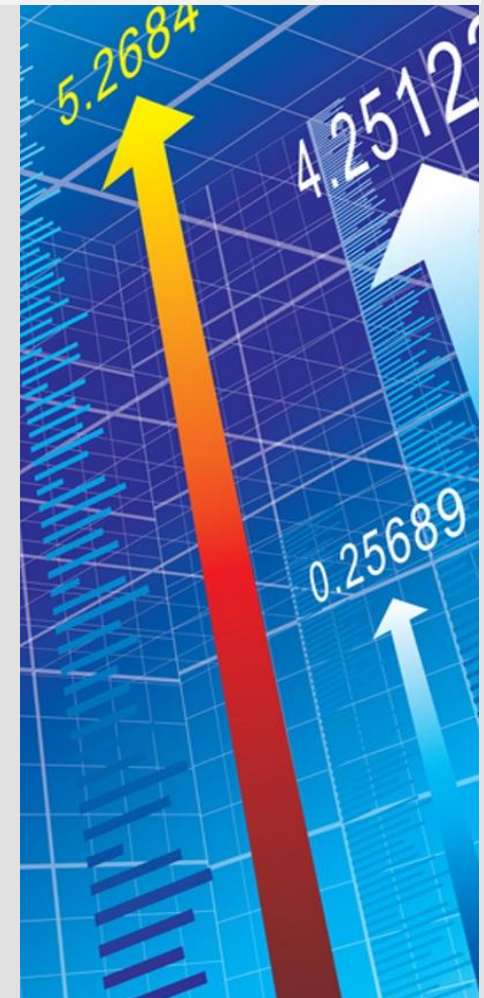
There is nothing more important than Health

Where?

Within the sector, the big multinationals are no longer growth stocks

“Big pharma” is looking for products to acquire from other companies

Innovation is the key





Some Big Players

USA

Pfizer. Largest pharma company in the world. Market cap \$165bn. Founded in 1849. Acquired Warner-Lambert, Pharmacia, Wyeth. Primarily Pharma

Johnson&Johnson

Market cap \$180bn. Integrated Pharma+Biotech+MedTech

UK

GlaxoSmithKline. 2nd largest pharma company in the world. Market cap £72bn. Sales £27bn. Profit £8.4bn.

GSK=Glaxo + Wellcome + SmithKline Beckman + Beecham. Pharma & Consumer Health

CH

Roche Market cap 140bn.

Comparison: Swisscom CHF19bn. Credit Suisse \$36bn.





The value of a pipeline

Amgen

Founded 1980. Sales 1992 > \$1bn. Market cap \$53bn.

Genentech

Founded 1976. Roche paid 100bn to buy it.

Gilead

Founded 1987. Market Cap \$35bn.

Actelion

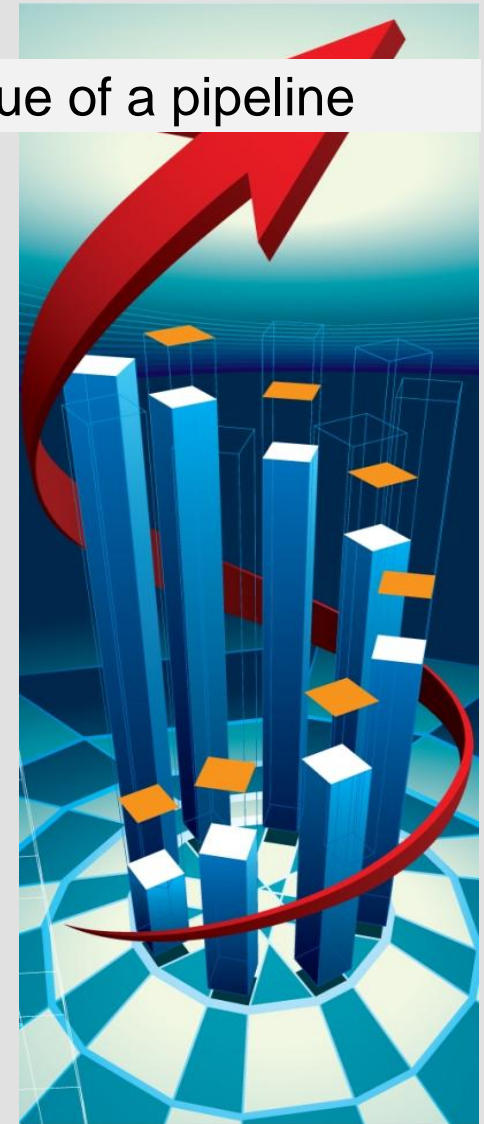
Founded CHF4.6bn

Celltech

Founded 1980. At the time of its acquisition by UCB it was making £50m profit. UCB paid £1.5bn in 2004.

Icos

Founded 1989, Profit 2006 \$65m. Lilly paid over \$2bn in 2006.





Some of the newest deals

Illumina

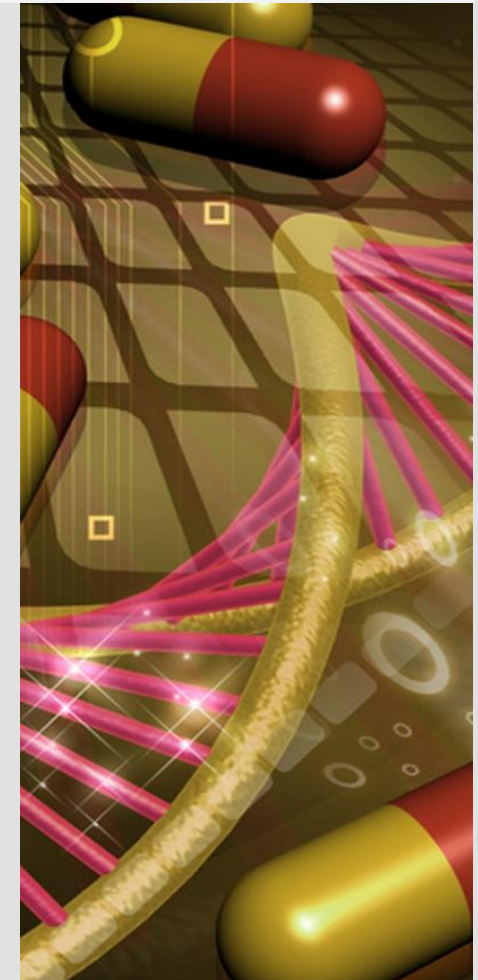
Founded 1998, IPO' in 2000. Roche bid \$5.7bn in Jan 2012.

Inhibitex

Founded 1994. Bristol-Myers Squibb bid \$2.5bn Jan 2012

Forma

Founded 2008. Boehringer Ingelheim offered \$65 million upfront payment, plus research funding, to support its screening of cancer-targeted compounds for four years. If there are any drug candidates discovered and developed through the collaboration progress, Boehringer may owe Forma up to \$750 million more in milestone payments before commercialization.





Capitalizing on the recent trends

Big companies face lack in R&D productivity.
Trend is to avoid early stage research and

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March 5, 2012 5:26 pm

Start-ups benefit from big pharma retreat

By Mark Wembridge

Small biotechs are gearing up to take advantage of large pharmaceutical companies' flight from risk, as big pharma increasingly looks externally for research and development.

Drug development – an expensive, extended and uncertain science – has been the domain of big pharma but that risk is being passed on to smaller companies, bringing challenges and rewards.

Changes in the industry were underlined by Chris Viehbach, chief executive of [Sanofi](#), the French pharma group, at last month's CED Life Sciences conference in North Carolina. "What Sanofi is doing is reducing its own internal research capacity. The days when we locked all of our scientists up in a building and put them on a nice tree-lined campus are done," he said.

"We will do less of our own research. We're not going to get out of research – we believe we do certain things well in research – but we want to work with more outside companies, start-up biotechs, with universities."

[AstraZeneca](#), the Anglo-Swedish pharma group,

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The ISIN number provided by the Swiss Stock Exchange has for all the issued shares in the capital of Pharmagenix is CH0121242769 (Company Key: 535057; Instrument Shortname: Pharmagenix N)





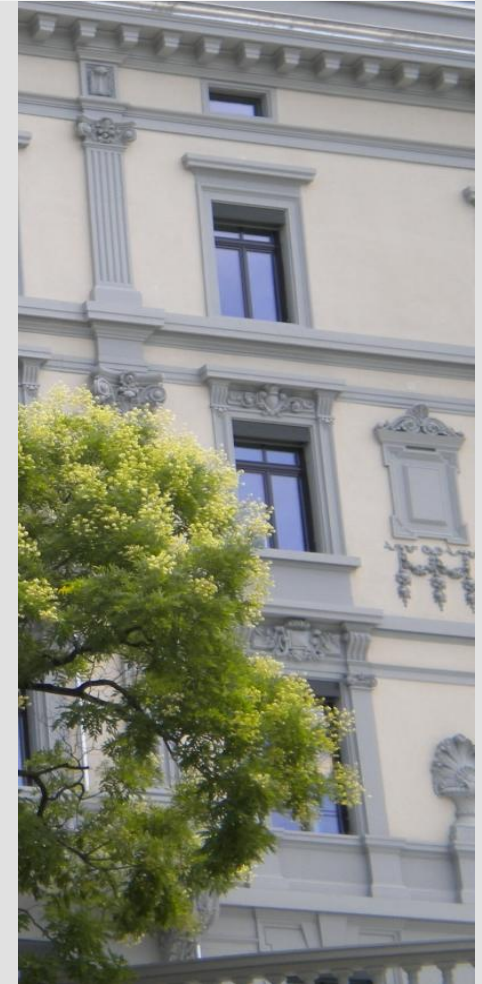
OVERVIEW

Swiss company focusing on developing and commercializing late-stage pharmaceuticals and medical devices.

Low burn rate: licensing-in assets from academic institutions and outsourcing development.

High potential product portfolio / pipeline.

Highly experienced management team.





Balanced portfolio based on near-term revenues



In-license innovative late-stage assets,
avoiding early-stage R&D



Outsourcing late-stage R&D: Develop projects
using expert Contract Research Organizations



Very low running costs



Commercialize through corporate deals with
distributors and licensees internationally

