



## Current Agreements

### Dealdoc

### Acquisition agreement for Elan - proposed (updated)

Elan  
Royalty Pharma

Feb 25 2013

## Acquisition agreement for Elan - proposed (updated)

<b>Companies:</b>	<a href="#">Elan</a> <a href="#">Royalty Pharma</a>
<b>Announcement date:</b>	Feb 25 2013
<b>Deal value, US\$m:</b>	6700 : sum of proposed offer

- [Details](#)
- [Financials](#)
- [Termsheet](#)
- [Press Release](#)
- [Filing Data](#)
- [Contract](#)

### Details

<b>Announcement date:</b>	Feb 25 2013 Bigbiotech
<b>Industry sectors:</b>	Pharmaceutical Financial

### Financials

<b>Deal value, US\$m:</b>	6700 : sum of proposed offer
<b>More details:</b>	The new offer values the company at \$6.7 billion, or \$8 billion including the options.

### Termsheet

7 June 2013

Royalty Pharma has increased its offer to \$13 for each Elan share from a bid last month of \$12.50 a share and an initial offer of \$11.25 in February.

The revised offer also includes an option for Elan shareholders to receive as much as \$2.50 a share extra if the multiple sclerosis drug Tysabri meets certain regulatory approval and sales milestones.

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23 May 2013

Elan Corporation announced that its Board of Directors, after careful review and consideration and with the assistance of its executive management team as well as outside financial and legal advisors, has determined that privately held investment firm Royalty Pharma's revised offer announced on Monday May 20, 2013 to acquire all of Elan's shares for \$12.50 per share through its shell subsidiary Echo Pharma Acquisition Limited, substantially undervalues the company.

Shareholders will also receive in the coming days a shareholder circular and Notice of Extraordinary General Meeting to be held on June 17, 2013 in connection with the recently announced transactions, decisively transforming the company, which are to be voted on by Shareholders at the Company's forthcoming EGM on June 17, 2013.

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15 April 2013

Royalty Pharma announced, pursuant to Rule 2.5 of the Irish Takeover Rules, the terms of a firm, all cash offer for the entire issued and to be issued share capital of Elan Corporation.

Subject to certain conditions as set forth in the Announcement, Royalty Pharma is offering the "Offer Price" for each outstanding share and ADS of Elan:

US\$12.00, if the strike price for Elan's previously announced Dutch Auction is US\$11.75 or US\$12.00;

US\$11.50 if the Dutch Auction Strike Price is US\$11.50;

US\$11.25 if the Dutch Auction Strike Price is US\$11.25;

and US\$11.00 per Elan Share if (1) the Dutch Auction Strike Price is equal to or greater than US\$12.25 and less than or equal to US\$13.00, or (2) upon the occurrence of certain other events as set forth in the Announcement.

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12 April 2013

Irish drugmaker Elan won strong approval from shareholders for a \$1 billion share buyback as it seeks to keep them on side and stave off a takeover approach from U.S. investment firm Royalty Pharma.

The buyback, priced between \$11.25 and \$13.00 per share, was supported by 99.2 percent of shareholders on Friday.

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25 February 2013

Royalty Pharma announces that contact was made on Monday February 18, 2013 with the Chairman of the Board of Elan, followed by a meeting then taking place on Wednesday February 20, 2013, at which an indicative proposal was made to acquire the entire issued and to be issued share capital of Elan.

Royalty Pharma is proposing, on an indicative basis, to make an offer for Elan of US\$11[1] for every Elan Share and every Elan ADS.

While Royalty Pharma has not received a formal response to its Proposal and has been unsuccessful in its efforts to engage with Elan since making the Proposal, Royalty Pharma remains committed to working towards a recommended transaction.

Royalty Pharma was, however, surprised by Elan's public announcement on Friday February 22, 2013 discussing Elan's standalone strategy but not addressing the fact that Elan had received Royalty Pharma's Proposal.

The Possible Offer represents:

A cash premium of 12.6 percent to the Current Enterprise Value of Elan based on the closing share price of Elan Stock on February 15, 2013 of US\$10.35 on the New York Stock Exchange;

A cash premium of 6.3 percent to the closing share price of Elan Stock on February 15, 2013 of US\$10.35 on the New York Stock Exchange;

A cash premium of 12.7 percent to the volume weighted average closing share price on the New York Stock Exchange for Elan Stock between February 6, 2013, being the date on which the Tysabri Transaction was announced to the market, and February 15, 2013 of US\$9.76;

A cash premium of 9.5 percent to the Broker Median Price Target of US\$10.05 for Elan Stock set by those brokers that Royalty Pharma is aware have published price targets since the announcement of the Tysabri Transaction;

A Proposal Enterprise Value for Elan equal to 16.4x and 12.1x 2014 and 2015 Broker Projected EBITDA respectively (the median 2014 and 2015 projected EBITDA multiples for the Specialty Pharma Companies are 7.5x and 5.9x respectively, and for the Large Cap Biotech Companies are 11.1x and 9.1x respectively[8]);

A Proposal price equal to 55.0x and 30.6x 2014 and 2015 Broker Projected Earnings Per Share respectively (the median 2014 and 2015 projected earnings per share multiples for the Specialty Pharma Companies are 11.7x and 8.7x respectively, and for the Large Cap Biotech Companies are 15.1x and 11.3x respectively).

## **Press Release**

7 June 2013

Royalty Pharma Raises Its Bid for Elan Again

LONDON – Royalty Pharma sweetened its hostile takeover offer for Elan, the Irish drug company, on Friday for the second time in a month after it failed to get enough support from Elan's shareholders.

Royalty Pharma increased its offer to \$13 for each Elan share from a bid last month of \$12.50 a share and an initial offer of \$11.25 in February. The revised offer also includes an option for Elan shareholders to receive as much as \$2.50 a share extra if the multiple sclerosis drug Tysabri meets certain regulatory approval and sales milestones.

The new offer values the company at \$6.7 billion, or \$8 billion including the options. Elan had rejected two previous offers by Royalty Pharma as too low and called the approach opportunistic. Royalty Pharma said earlier on Friday that 7.5 percent of Elan's shareholders had accepted the second offer. Elan said it would assess the improved offer and advised its shareholders to take no action for now.

The takeover quarrel intensified this month when Elan sought legal help to fight Royalty Pharma's approach. Describing Royalty Pharma's bid as coercive, Elan won a temporary injunction in the United States against the approach. The court is scheduled to meet again next week to decide on the issue.

Elan shareholders are scheduled to gather for an extraordinary shareholder meeting on June 17 to vote on four acquisitions that Elan negotiated after Royalty Pharma's initial approach. Royalty Pharma has been critical of the value of the transactions and said its offer for Elan would lapse if Elan shareholders approved the transactions.

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23 May 2013

Elan Corporation, plc's Board of Directors Unanimously Reject Royalty Pharma's Revised Tender Offer

DUBLIN--(BUSINESS WIRE)--Elan Corporation, plc (NYSE: ELN) (Elan) today announced that its Board of Directors, after careful review and consideration and with the assistance of its executive management team as well as outside financial and legal advisors, has determined that privately held investment firm Royalty Pharma's revised offer ("Royalty Pharma Offer") announced on Monday May 20, 2013 to acquire all of Elan's shares for \$12.50 per share through its shell subsidiary Echo Pharma Acquisition Limited, substantially undervalues the company.

Commenting specifically, Mr. Robert A. Ingram, Chairman of Elan Corporation, plc, said "The revised offer from Royalty Pharma continues to grossly undervalue our company's current business platform and our future prospects. This offer is no more than an opportunistic attempt to acquire our company at a substantial discount at our Shareholders' expense. Put simply, for Royalty Pharma to win, you our Shareholders must lose. Accordingly, the Board unanimously and without reservation rejects the revised Royalty Pharma offer."

Mr. Ingram's letter to Elan Shareholders is set out in full in the schedule to this announcement.

Elan shareholders are strongly and unequivocally advised to TAKE NO ACTION in relation to the Royalty Pharma offer.

Shareholders will also receive in the coming days a shareholder circular and Notice of Extraordinary General Meeting ("EGM") to be held on June 17, 2013 in connection with the recently announced transactions, decisively transforming the company, which are to be voted on by Shareholders at the Company's forthcoming EGM on June 17, 2013.

Elan's financial advisors are Citigroup, Davy Corporate Finance, Morgan Stanley and Ondra Partners. Its legal advisors are A&L Goodbody and Cadwalader, Wickersham & Taft LLP.

About Elan

Elan is a biotechnology company, headquartered in Ireland, committed to making a difference in the lives of patients and their families by dedicating itself to bringing innovations in science to fill significant unmet medical needs that continue to exist around the world. For additional information about Elan, please visit <http://www.elan.com>.

The Directors of Elan accept responsibility for the information contained in this announcement. To the best of their knowledge and belief (having taken all reasonable care to ensure such is the case); the information contained in this announcement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Any holder of 1% or more of any class of relevant securities of Elan or of Royalty Pharma may have disclosure obligations under Rule 8.3 of the Irish Takeover Panel Act, 1997, Takeover Rules 2007 (as amended).

Schedule - Chairman's Letter

Dear Elan Shareholder,

The Board of Elan unanimously, and without reservation, recommends that you reject the Royalty Pharma Revised Offer (the "Royalty Pharma Offer") announced on Monday last May 20, 2013 and set out in a revised Offer Document dated today, May 23, 2013. The Board's conclusions, after further in depth discussion with the executive management team and our external advisors, are based on the following beliefs:

The Revised Offer fails to properly value the Tysabri asset. On its own, Tysabri is a highly valuable and unique asset; it will generate income for many years to come and has a multitude of potential additional life cycle opportunities. In addition, in the current business construct Elan shareholders have the opportunity to participate directly – through a highly unique 20 % dividend pass through – in the future and on going

growth of this asset. Accepting the Royalty Pharma Offer would eliminate any opportunity for Elan's Shareholders to realize the substantial benefits of multi year growth and income driven by this asset alone. By unlocking only a portion of the value of Tysabri, we are now in a position to add additional value creating assets to Elan. The first wave of these assets is to be presented to Shareholders for their approval at the Company's forthcoming extraordinary general meeting ("EGM") on June 17, 2013. Accepting the Royalty Pharma Offer would eliminate (forever) the opportunity for Elan's Shareholders to participate in the future business and growth made possible by the reallocation of capital following the Tysabri transaction.

Allowing Royalty Pharma to purchase the Tysabri asset at a discount to its embedded value and simultaneously blocking the addition of valuable long term assets would be to the direct detriment of Elan's Shareholders. Selling Elan's 'cash for cash' and Elan's asset(s) at a discount would be illogical and directly harm Elan Shareholders. Royalty Pharma as a private limited partnership will capture any and all future Elan growth for the sole benefit of its limited partners. This is Royalty Pharma's sole business objective and modus operandi - in short, for Royalty Pharma to win, you our Shareholders must lose. Eliminating Elan as a publicly held entity will forever remove the opportunity, for you our Shareholders, to capture future growth and increases in value generated by current and future assets.

As the Chairman of the Board of Elan, I have the privilege of working with and leading the Company and its strategic direction and its implementation. It is important for me to convey – clearly, strongly and directly – that everything we do at Elan is done with the sole goal of providing Shareholders with the opportunity to participate in value creation and growth. This is a philosophy shared by our entire Board and management.

Having over 40 years experience in a number of capacities including, variously, Chairman, Chief Executive, Committee Chair, Senior Adviser and Board Member of pharmaceutical, life sciences and investment companies such as GlaxoSmithKline plc, Allergan Inc, Valeant Pharmaceuticals Inc, Edwards Lifesciences Corporation and Hatteras Venture Partners LLC, I understand – intimately and from a variety of different seats - the industry and the inherent challenges and opportunities that exist for all participants. I believe that it would be a significant opportunity lost for our Shareholders to accept the Royalty Pharma Offer at this time in our Company's evolution. It is simply the wrong time in terms of the realization of the full value potential of this enterprise that would benefit – directly – our public Shareholders.

For the above reasons, your Board believes the Revised Offer grossly undervalues the Company's current cash flow, business and financial platform and our future business opportunities. The Royalty Pharma Offer – in its opportunistic nature – is not in the strategic interests of Elan's Shareholders in terms of the realization of the full potential in value of our business. Consequently, your Board strongly and unequivocally recommends that you take no action with regard to the Royalty Pharma Offer.

The Board also rejects any assertion by Royalty Pharma that it cannot recommend a Royalty Pharma offer as a result of its recommendation of the Transactions. This is untrue. The Board does not consider that the Royalty Pharma Offer is in the best interests of the Company and, accordingly, it is not recommending its acceptance. The Board is at all times willing to consider any reasonable and meaningful offer for the Company, be that from Royalty Pharma or any other person.

You will receive in the coming days a shareholder circular in advance of our EGM on June 17, 2013 setting out further details of the Transactions, and I will be writing to you again at that time.

Yours sincerely,

Robert A. Ingram

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20 May 2013

#### Royalty Pharma Raises Elan Bid to \$12.50 a Share in Cash

Royalty Pharma, an investor in royalty streams from pharmaceuticals, raised its offer to buy Elan Corp. (ELN) by 12 percent to \$6.4 billion after the Irish drugmaker made acquisitions to boost revenue and resist the bid. The all-cash offer of \$12.50 per American depositary receipt is higher than a previous bid of \$11.25 per ADR and compares with the \$11.67 closing price on May 17.

Pablo Legorreta, Royalty's founder and a former Lazard banker, is pursuing the Dublin-based company after Elan Chief Executive Officer Kelly Martin, a former Merrill Lynch & Co. banker, initially offered to buy Royalty. Elan's board, which unanimously rejected New York-based Royalty's previous takeover bid on April 22, will assess today's announcement and advise shareholders, the company said today in a statement.

"In the meantime, Elan shareholders are strongly advised to take no action in relation to the Royalty Pharma offer," the company said.

Elan rose 3.2 percent to \$12.04 at the close in New York. The company said today it plans to buy back \$200 million in shares, with details to be announced. Elan last month bought back \$1 billion in stock, reducing the number of shares outstanding to about 510 million. Martin's Strategy

An acquisition by Royalty would allow Elan shareholders to avoid the risks of Martin's strategy of reinvesting the \$3.25 billion Elan received from Biogen Idec Inc. (BIIB) for divesting its stake in the multiple sclerosis drug Tysabri, Royalty said. Elan has said it will pay investors dividends directly linked to Tysabri sales as a 20 percent share of the royalty received from Biogen.

Elan this month announced a \$1 billion investment in Theravance Inc. (THRX)'s royalties, a \$340 million takeover of Vienna-based AOP Orphan Pharmaceuticals AG and the purchase of a 48 percent stake in Dubai-based NewBridge Pharmaceuticals for \$40 million. The company also plans to issue \$800 million in debt.

Elan has "dramatically overpaid" in the Theravance deal by agreeing to spend \$1 billion on 21 percent of a portion of royalties when all of South San Francisco, California-based Theravance was trading at \$3.5 billion, Royalty said in a statement. Today's increased offer is contingent on Elan investors voting against the Theravance transaction and all deals announced today that are put to a vote, Royalty said.

#### Hasty Deal

"The Theravance transaction public disclosure suggests that the transaction was pursued in haste and without critical confidential information which could significantly impair the value of the asset," Royalty said. "Royalty Pharma expects that the same may be true of the transactions announced today."

In addition, Elan's board can't recommend Royalty Pharma's offer at any price without breaching its agreement with Theravance, thereby compromising its ability to freely advise its shareholders and making itself "irrelevant" to them, Royalty said.

Royalty's offer is "fully financed, cash confirmed and not conditional on due diligence," the company said. Royalty also said it reserved the right to waive down the acceptance threshold for the increased offer from 90 percent to 50 percent plus one Elan share.

JPMorgan Chase & Co., Bank of America Corp. and Groton Partners are advising Royalty Pharma. Elan's financial advisers include Davy Corporate Finance, Morgan Stanley, Ondra Partners and Citigroup Inc. Founded in 1996, Royalty Pharma owns royalty interests in 38 approved and marketed pharmaceutical products. For example, in 2004, the firm bought Memorial Sloan-Kettering Cancer Center's U.S. royalty interest in Amgen Inc.'s Neupogen drug.

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22 April 2013

#### Elan Corporation, plc' s Board of Directors Unanimously Reject Royalty Pharma's Unsolicited Tender Offer

DUBLIN--(BUSINESS WIRE)--Apr. 22, 2013-- Elan Corporation, plc (NYSE: ELN) (Elan) today announced that its Board of Directors, after careful review and consideration and with the assistance of its executive management team as well as outside financial and legal advisors, has determined that privately held investment firm Royalty Pharma's offer, through its shell subsidiary Echo Pharma Acquisition Limited, to acquire all of the shares of Elan for \$11.25 or less per share, substantially undervalues the company.

Commenting specifically, Mr. Robert A. Ingram, Chairman of Elan Corporation, plc, added, "The offer from Royalty Pharma grossly undervalues Elan's current business platform and our future prospects. As a result the Board unanimously and without reservation rejected the offer."

The Board will, in accordance with Irish Takeover Rules, communicate with shareholders again following publication of Royalty Pharma's formal Offer Document. In the meantime, Elan shareholders are strongly advised to take no action in relation to the Echo Pharma Acquisition Limited (Royalty Pharma) offer.

Elan's financial advisors are Citigroup, Morgan Stanley and Ondra Partners. Its legal advisors are A&L Goodbody and Cadwalader, Wickersham and Taft LLP.

#### About Elan

Elan is a biotechnology company, headquartered in Ireland, committed to making a difference in the lives of patients and their families by dedicating itself to bringing innovations in science to fill significant unmet medical needs that continue to exist around the world. For additional information about Elan, please visit <http://www.elan.com>.

The Directors of Elan accept responsibility for the information contained in this announcement. To the best of their knowledge and belief (having taken all reasonable care to ensure such is the case); the information contained in this announcement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Any holder of 1% or more of any class of relevant securities of Elan or of Royalty Pharma may have disclosure obligations under Rule 8.3 of the Irish Takeover Panel Act, 1997, Takeover Rules 2007 (as amended).

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15 April 2013

#### Royalty Pharma Announces Firm Offer to Acquire Elan

Firm, Fully Financed Offer, Made Under Rule 2.5 of the Irish Takeover Rules, Valued at up to US\$12 per Elan Share, a 23 Percent Increase Over the Enterprise Value of Royalty Pharma's Initial Proposal

NEW YORK, April 15, 2013 /PRNewswire/ -- Echo Pharma Acquisition Limited ("Royalty Pharma") today announced, pursuant to Rule 2.5 of the Irish Takeover Rules (the "Announcement"), the terms of a firm, all cash offer (the "Offer") for the entire issued and to be issued share capital of Elan Corporation, plc ("Elan") (NYSE: ELN). Subject to certain conditions as set forth in the Announcement, Royalty Pharma is offering the "Offer Price" for each outstanding share and ADS of Elan (each, an "Elan Share"):

US\$12.00, if the strike price for Elan's previously announced Dutch Auction (the "Dutch Auction Strike Price") is US\$11.75 or US\$12.00; US\$11.50 if the Dutch Auction Strike Price is US\$11.50; US\$11.25 if the Dutch Auction Strike Price is US\$11.25; and US\$11.00 per Elan Share if (1) the Dutch Auction Strike Price is equal to or greater than US\$12.25 and less than or equal to US\$13.00, or (2) upon the occurrence of certain other events as set forth in the Announcement. If Elan confirms its net cash position on the terms set forth in the Announcement, the Offer Price will be paid in cash. However, if Elan fails to do so, the initial cash component will be US\$1.00 less and holders of Elan Shares will be issued a right to receive up to US\$1.00 in cash based on Elan's net cash position. The terms and conditions of the Offer are set forth in detail in the Announcement.

Commenting on the Offer, Pablo Legorreta, Founder and Chief Executive Officer of Royalty Pharma said: "This announcement demonstrates our commitment to providing a full and fair offer to Elan's shareholders. We believe that Elan's shareholders will welcome this fully financed cash Offer.

"Elan today consists of cash and a royalty on Tysabri. Royalty Pharma has over 15 years of experience valuing royalties on pharmaceutical products. Based on our analysis of Elan's Tysabri royalty and the implied valuation of Elan's economics in Tysabri reflected in Elan's recent transaction with Biogen, we believe that our Offer represents a full and fair value for Elan. We remain hopeful that the Board of Elan will consider our Offer and recommend it to its shareholders. In order to obtain the full amount of our Offer in cash in the shortest time frame, Elan's shareholders should encourage Elan's board to engage immediately with Royalty Pharma."

The Offer will be financed through a combination of existing resources available to Royalty Pharma and new credit facilities arranged by Merrill Lynch, Pierce, Fenner & Smith Incorporated and J.P. Morgan Securities.

J.P. Morgan, BofA Merrill Lynch and Groton Partners are acting as financial advisors to Royalty Pharma. The Announcement and further information relating to the Offer, including all announcements issued by or on behalf of Royalty Pharma, is available at <http://www.royaltypharma.com/>.

#### About Royalty Pharma

RP Management is the investment manager to entities investing in royalty interests in marketed and late stage biopharmaceutical products, with a portfolio of royalty interests in 38 approved and marketed products (including Abbott's Humira®, Johnson and Johnson's Remicade®, Merck's Januvia®, Gilead's Atripla®, Truvada®, and Emtriva®, Pfizer's Lyrica®, Amgen's Neupogen® and Neulasta®, and Genentech's Rituxan®) and two products pending approval. Royalty Pharma's product portfolio is well-diversified across biopharmaceutical products and treatment areas and consists of stable and long-dated assets and includes royalties on 8 of the top 20 selling pharmaceutical and biotech drugs by expected worldwide 2016 sales<sup>[1]</sup>, and 9 products with over US\$1 billion in annual sales. These entities have a longer than fifteen year history of providing value to holders of royalty interests, including a US\$400 million purchase of 80% of Memorial Sloan-Kettering Cancer Center's Neupogen®/Neulasta® royalty, a US\$525 million joint acquisition with Gilead Sciences of Emory University's emtricitabine royalty interest, a US\$650 million purchase of New York University's Remicade® royalty, a US\$700 million acquisition of AstraZeneca's Humira® royalty, a US\$700 million purchase of a portion of Northwestern University's Lyrica® royalty, a US\$609 million acquisition of Astellas Pharma's patent estate and associated royalty stream relating to the use of dipeptidyl peptidase IV (DPP-IV) inhibitors for the treatment of type 2 diabetes including Januvia® and Janumet®, and most recently a US\$761 million purchase of a portion of an interest in Biogen's recently approved Tecfidera (formerly BG-12) for the treatment of multiple sclerosis held by the former shareholders of Fumapharm AG.

[1] Based on Evaluate Pharma estimates for 2016.

#### FURTHER INFORMATION

This announcement is not intended to, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, tender, exchange, sell or otherwise dispose of, any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to this announcement or otherwise.

The distribution of this announcement in jurisdictions other than Ireland, the United Kingdom and the United States may be affected or restricted by the laws of relevant jurisdictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of any such said jurisdiction. Therefore any persons who are subject to the laws of any jurisdiction other than Ireland, the United Kingdom and the United States or Elan Stockholders who are not resident in Ireland, the United Kingdom or the United States will need to inform themselves about, and observe any applicable requirements.

#### Additional Notice to US Investors

This document does not constitute an offer to buy or the solicitation of an offer to sell any securities. This document relates to a potential business combination transaction with Elan proposed by Royalty Pharma and is not a substitute for any tender offer statement or any other document in the event that Royalty Pharma files such a document with the U.S. Securities and Exchange Commission (the "SEC") in connection

with the proposed transaction. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ ANY SUCH DOCUMENTS FILED WITH THE SEC CAREFULLY IN THEIR ENTIRETY IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION. Any such documents will be available free of charge through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov) or by directing a request to the persons listed above.

#### Responsibility Statements

The directors of Royalty Pharma accept responsibility for the information contained in this announcement, save that the only responsibility accepted by the directors of Royalty Pharma in respect of the information in this announcement relating to Elan, the Elan Group, the Board of Elan and the persons connected with them, which has been compiled from published sources, has been to ensure that such information has been correctly and fairly reproduced or presented (and no steps have been taken by the directors of Royalty Pharma to verify this information). To the best of the knowledge and belief of the directors of Royalty Pharma (having taken all reasonable care to ensure that such is the case), the information contained in this announcement for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The managing member of RP Management accepts responsibility for the information contained in this announcement, save that the only responsibility accepted by the managing member of RP Management in respect of the information in this announcement relating to Elan, the Elan Group, the Board of Elan and the persons connected with them, which has been compiled from published sources, has been to ensure that such information has been correctly and fairly reproduced or presented (and no steps have been taken by the managing member of RP Management to verify this information). To the best of the knowledge and belief of the managing member of RP Management (having taken all reasonable care to ensure that such is the case), the information contained in this announcement for which he accepts responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

J.P. Morgan, together with its affiliate J.P. Morgan Cazenove (which is authorised and regulated by the Financial Conduct Authority in the United Kingdom), is acting exclusively for Royalty Pharma and RP Management and for no one else in connection with the matters described in this announcement and is not, and will not be, responsible to anyone other than Royalty Pharma and RP Management for providing the protections afforded to clients of J.P. Morgan or its affiliates, or for providing advice in connection with the matters described in this announcement.

Merrill Lynch International ("BofA Merrill Lynch"), a subsidiary of Bank of America Corporation, is acting exclusively for Royalty Pharma and RP Management in connection with the Offer and for no one else and will not be responsible to anyone other than Royalty Pharma and RP Management for providing the protections afforded to its clients or for providing advice in relation to the Offer.

#### Rule 8 - Dealing Disclosure Requirements

Under the provisions of Rule 8.3 of the Irish Takeover Rules, if any person is, or becomes, "interested" (directly or indirectly) in one per cent. or more of any class of "relevant securities" of Elan, all "dealings" in any "relevant securities" of Elan (including by means of an option in respect of, or a derivative referenced to, any such "relevant securities") must be publicly disclosed by not later than 3.30 pm (Dublin time) on the "business day" following the date of the relevant transaction. This requirement will continue until the date on which the Offer becomes effective, lapses or is otherwise withdrawn or on which the Offer Period otherwise ends. If two or more persons co-operate on the basis of any agreement, either express or tacit, either oral or written, to acquire an "interest" in "relevant securities" of Elan, they will be deemed to be a single person for the purpose of Rule 8.3 of the Irish Takeover Rules.

Under the provisions of Rule 8.1 of the Irish Takeover Rules, all "dealings" in "relevant securities" of Elan by Elan or Royalty Pharma, or by any of their respective "associates" must also be disclosed by no later than 12 noon (Dublin time) on the "business day" following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose "relevant securities" "dealings" should be disclosed can be found on the Irish Takeover Panel's website at [www.irishtakeoverpanel.ie](http://www.irishtakeoverpanel.ie).

"Interests in securities" arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an "interest" by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Irish Takeover Rules, which can be found on the Irish Takeover Panel's website.

If you are in any doubt as to whether or not you are required to disclose a "dealing" under Rule 8, please consult the Irish Takeover Panel's website at [www.irishtakeoverpanel.ie](http://www.irishtakeoverpanel.ie) or contact the Irish Takeover Panel on telephone number +353 (0)1 678 9020; fax number +353 (0)1 678 9289.

#### No Profit Forecast / Asset Valuations

No statement in this announcement constitutes a profit forecast for any period, nor should any statement be interpreted to mean that earnings or earnings per share will necessarily be greater or lesser than those for the relevant preceding financial periods for either Royalty Pharma or Elan as appropriate. No statement in this announcement constitutes an asset valuation.



12 April 2013

Elan shareholders approve buyback as Royalty fight heats up

DUBLIN | Fri Apr 12, 2013 8:44am EDT

Irish drugmaker Elan won strong approval from shareholders for a \$1 billion share buyback as it seeks to keep them on side and stave off a takeover approach from U.S. investment firm Royalty Pharma.

The buyback, priced between \$11.25 and \$13.00 per share, was supported by 99.2 percent of shareholders on Friday. The company was returning cash to investors after the \$3.2 billion sale of its interest in multiple sclerosis drug Tysabri.

Royalty may sweeten its \$11 per share proposal by paying more via a contingent value right (CVR) if Tysabri, which Elan still receives royalties for, hits certain sales milestones, two people familiar with the matter told Reuters.

Elan's shares are trading at \$12 in New York. If Royalty does come up with more, Elan investors will have to decide whether to take the money or trust Elan to make better use of cash through a series of smart acquisitions.

"If they get to \$12, the choice for investors is have you got faith that management can do value-enhancing transactions, do you buy into that story or do you just want cash out now," said Deutsche Bank analyst Richard Parkes.

"Does that change if you've got \$12 and maybe this contingent right? I don't think it necessarily changes things that much but it might just get them across the line to get the shareholder support they need to galvanize."

#### DIVIDEND PROMISE

Elan has rejected Royalty Pharma's proposal, calling it a "highly conditional indication of interest", and hopes instead to reinvent itself in a series of acquisitions after the Tysabri deal left it with just one experimental drug in its pipeline.

An Irish takeover panel has given Royalty Pharma until May 10 to make a firm offer or walk away.

CVRs have been used in the past in drug and biotech deals to bridge differences between buyers and sellers, reflecting the uncertainties surrounding sales of new medicines.

In 2011, French drugmaker Sanofi struck a deal to buy Genzyme with a sweetened \$20.1 billion cash offer plus a CVR tied to the success of the U.S. biotech group's drugs. The Nasdaq-traded Genzyme CVR was worth up to \$14, although it is currently trading at less than \$2.

In an added twist, Elan shareholders also have to consider the value of a "unique cash dividend" promised by Elan last month that is tied to the royalties it will receive on Tysabri.

Under the deal it struck with Biogen Idec on Tysabri, Elan's royalty payments will be 12 percent of sales in the first year, 18 percent after that, and 25 percent when annual sales rise above \$2 billion. One fifth of the royalty stream will be paid out to investors under the dividend plan.

Tysabri sales rose 8 percent to \$1.63 billion in 2012.

Dublin-based Elan, whose shares were little changed in European dealings, will announce the final price of the share buyback offer next Thursday.

The buyback represents almost 15 percent of Elan's existing issued share capital.

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25 February 2013

#### Elan's Response to Indication of Interest

DUBLIN--(BUSINESS WIRE)--Feb. 25, 2013-- The Board of Elan Corporation, plc (NYSE:ELN) (the Company) acknowledges this morning's announcement by Royalty Management, LLC (Royalty Pharma) regarding an indicative, conditional, proposal which may or may not lead to an offer being made for the entire issued share capital of the Company.

As previously announced, in anticipation of executing and closing the recently announced Tysabri transaction, the Company's Board of Directors, Executive Management and advisors have been working for over a year on a number of strategic transactions that, should they be consummated, would be to the benefit of our public shareholders. Returning capital through share repurchase, diversifying business and asset risk/reward through non-traditional business structures while simultaneously capturing the long term high margin royalty income from Tysabri will offer a compelling investment thesis for our current shareholders.

The Company notes the highly opportunistic timing of the announcement by Royalty Pharma - a privately held investment management company - before the Company's shareholders have had the opportunity to assess and realize the full benefit of the Tysabri transaction and the

partial unlocking of its value. We expect the Tysabri transaction to close in the near future.

The Company also notes the heavily conditional nature of this indication of interest. Any credible proposal which may be made by Royalty Pharma or any other party will of course be considered by the Company alongside the strategic transactions and unique investment thesis referred to above.

Further announcements will be made if and when appropriate.

The Directors of Elan accept responsibility for the information contained in this announcement. To the best of their knowledge and belief (having taken all reasonable care to ensure such is the case), the information contained in this announcement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Any holder of 1% or more of any class of relevant securities of Elan or of Royalty Pharma may have disclosure obligations under Rule 8.3 of the Irish Takeover Panel Act, 1997, Takeover Rules 2007 (as amended).

#### About Elan

Elan is a biotechnology company, headquartered in Ireland, committed to making a difference in the lives of patients and their families by dedicating itself to bringing innovations in science to fill significant unmet medical needs that continue to exist around the world. For additional information about Elan, please visit <http://www.elan.com>.

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25 February 2013

#### Royalty Pharma Announces Proposal To Acquire Elan

##### Announcement Made Under Rule 2.4 of Irish Takeover Rules

NEW YORK, Feb. 25, 2013 -- /PRNewswire/ -- RP Management, LLC ("Royalty Pharma") today announces that contact was made on Monday February 18, 2013 with the Chairman of the Board of Elan Corporation, plc (NYSE: ELN) ("Elan"), followed by a meeting then taking place on Wednesday February 20, 2013, at which an indicative proposal was made to acquire the entire issued and to be issued share capital of Elan (the "Proposal").

Royalty Pharma is proposing, on an indicative basis, to make an offer for Elan (the "Possible Offer") of US\$11<sup>[1]</sup> for every Elan Share and every Elan ADS.

While Royalty Pharma has not received a formal response to its Proposal and has been unsuccessful in its efforts to engage with Elan since making the Proposal, Royalty Pharma remains committed to working towards a recommended transaction. Royalty Pharma was, however, surprised by Elan's public announcement on Friday February 22, 2013 discussing Elan's standalone strategy but not addressing the fact that Elan had received Royalty Pharma's Proposal.

Royalty Pharma's Proposal offers Elan Shareholders a simple and clear choice:

- Remain an investor in a company whose material assets (in the context of the assets of the Elan Group, taken as a whole), following the completion of the Tysabri Transaction, will consist of cash and the Tysabri Royalty while Elan's management pursues its announced strategy which includes maintaining expected operating expenses in the range of US\$170-190 million<sup>[2]</sup> in the 2013 financial year and investing in a variety of yet-to-be-disclosed business assets; or
- Sell their Elan Stock for a cash amount that Royalty Pharma believes reflects the full value of Elan today.

Royalty Pharma believes that the risks and lack of earnings visibility associated with Elan's acquisition and in-licensing strategy are substantial. The pharmaceutical industry is highly competitive and Royalty Pharma believes many companies have suffered poor returns pursuing such a strategy. Royalty Pharma believes that good assets in the pharmaceutical industry are in short supply, that there will therefore be significant competition for these assets, and that this competition is likely to result in acquirors being required to pay significant premiums to acquire these assets. In addition, Royalty Pharma believes that a successful acquisition strategy would require Elan to build an operating infrastructure and sales force to allow it to realize synergies from acquisitions.

Royalty Pharma notes that while Elan's management has demonstrated its ability to execute several significant disposals (including the sale of some or all of bapineuzumab, Elan Drug Technologies and Tysabri), the current senior management team of Elan has not made any significant acquisitions or in-licensed any significant late stage products for Elan and thus does not have a track record of generating attractive returns from acquisitions or in-licensed products for Elan. Furthermore, if Elan makes additional investments in businesses and assets it acquires or in-licenses, those investments may depress Elan's net income and cash flow for some period, and perhaps even cause those to become negative.

[1] For information only, US\$11 was equivalent to €8.36 at a €/US\$ exchange rate of 1.32 as at February 22, 2013. Any offer, if made, will be made in US dollars.

[2] On the basis of Elan's announcement of its results for the 2012 financial year made on February 6, 2013.

Royalty Pharma's Proposal delivers full value for Elan Stock today and in cash

Royalty Pharma believes that the Proposal offers Elan Shareholders an attractive financial alternative that will allow them to realize value for their Elan Stock in cash immediately and eliminate the execution risk associated with identifying, acquiring, integrating and growing attractive assets in the context of a highly competitive strategic landscape. In the event that the Possible Offer were forthcoming and were to close, Elan Shareholders would be able to reinvest any cash proceeds received for their Elan Stock in other pharmaceutical companies without paying a premium in order to gain control (often known as a "control premium") of those companies, which Elan may need to pay to acquire control of companies. As a result, Royalty Pharma firmly believes that its Proposal should be compelling to Elan Shareholders.

The Possible Offer represents:

• a cash premium of 12.6 percent to the Current Enterprise Value<sup>[3]</sup> of Elan based on the closing share price of Elan Stock on February 15, 2013 of US\$10.35 on the New York Stock Exchange<sup>[4]</sup>; • a cash premium of 6.3 percent to the closing share price of Elan Stock on February 15, 2013 of US\$10.35 on the New York Stock Exchange; • a cash premium of 12.7 percent to the volume weighted average closing share price on the New York Stock Exchange for Elan Stock between February 6, 2013, being the date on which the Tysabri Transaction was announced to the market, and February 15, 2013 of US\$9.76; • a cash premium of 9.5 percent to the Broker Median Price Target of US\$10.05 for Elan Stock set by those brokers that Royalty Pharma is aware have published price targets since the announcement of the Tysabri Transaction<sup>[5]</sup>; • a Proposal Enterprise Value<sup>[6]</sup> for Elan equal to 16.4x and 12.1x 2014 and 2015 Broker Projected EBITDA<sup>[7]</sup> respectively (the median 2014 and 2015 projected EBITDA multiples for the Specialty Pharma Companies are 7.5x and 5.9x respectively, and for the Large Cap Biotech Companies are 11.1x and 9.1x respectively<sup>[8]</sup>); and • a Proposal price equal to 55.0x and 30.6x 2014 and 2015 Broker Projected Earnings Per Share<sup>[9]</sup> respectively (the median 2014 and 2015 projected earnings per share multiples for the Specialty Pharma Companies are 11.7x and 8.7x respectively, and for the Large Cap Biotech Companies are 15.1x and 11.3x respectively<sup>[10]</sup>).

Royalty Pharma plans to finance the Possible Offer through a combination of available cash and debt. Entities to which Royalty Pharma is the investment advisor currently have access to over US\$1 billion in cash available for investment, and Royalty Pharma is working with financial advisors led by J.P. Morgan and lenders led by BofA Merrill Lynch to put in place the necessary debt financing to consummate the Possible Offer.

It is intended that the Possible Offer would proceed either by way of an offer or a scheme of arrangement under section 201 of the Act and will be made by a newly incorporated company controlled by entities managed by Royalty Pharma.

[3] As defined in appendix II.

[4] February 15, 2013 representing the last trading day prior to Royalty Pharma contacting Elan's chairman regarding the Proposal.

[5] Based on the price targets of the brokers listed in the Sources and Bases section. The third party broker forecasts do not constitute a profit forecast for any period, nor should any statement be interpreted to mean that earnings or earnings per share will necessarily be greater or lesser than those for the relevant preceding financial periods for Elan.

[6] As defined in appendix II.

[7] Based on forecasts made by the brokers listed in the Sources and Bases section. The third party broker forecasts do not constitute a profit forecast for any period, nor should any statement be interpreted to mean that Elan's earnings or earnings per share will necessarily be greater or lesser than those for the relevant preceding financial periods for Elan.

[8] Sourced from FactSet, company filings and equity research and based on closing share prices on February 22, 2013. The Specialty Pharma Companies are Alkermes plc, Allergan, Inc., Cubist Pharmaceuticals, Inc., Endo Health Solutions Inc., Forest Laboratories, Inc., Jazz Pharmaceuticals plc, The Medicines Company, Salix Pharmaceuticals, Ltd., Shire plc, Valeant Pharmaceuticals International, Inc and Warner Chilcott Plc. The Large Cap Biotech Companies are Amgen Inc., Biogen, Celgene Corporation and Gilead Sciences, Inc.

[9] Based on forecasts made by the brokers listed in the Sources and Bases section. The third party broker forecasts do not constitute a profit forecast for any period, nor should any statement be interpreted to mean that Elan's earnings or earnings per share will necessarily be greater or lesser than those for the relevant preceding financial periods for Elan.

[10] Sourced from FactSet, company filings and equity research and based on closing share prices on February 22, 2013. The Specialty Pharma Companies and the Large Cap Biotech Companies are as listed in footnote 8.

#### IMPORTANT NOTICE

The Proposal is subject to the following pre-conditions, which will need to be satisfied or waived prior to any announcement of the Possible Offer under Rule 2.5 of the Irish Takeover Rules:

(i) being granted access to and completion of satisfactory due diligence into the business of Elan, including management meetings;

(ii) no acquisitions, dispositions, restructuring activities, debt refinancing, stock buybacks or other extraordinary transactions by Elan apart from the completion of the Tysabri Transaction;

(iii) the Tysabri Transaction shall have closed and the terms shall not have been amended or altered in any material respect from the terms announced on February 6, 2013;

(iv) unanimous recommendation of the Possible Offer, if made, by the directors of Elan;

(v) each of the directors of Elan giving firm irrevocable undertakings to accept the Possible Offer, if made, or to vote in favour of the scheme of arrangement (as applicable) in respect of all the Elan Stock in which they have an interest;

(vi) the entry into an expense reimbursement agreement in a form acceptable to Royalty Pharma in respect of an amount equal to the maximum allowable under the terms of the Irish Takeover Rules and the financial advisor to Elan confirming to the Irish Takeover Panel that such agreement is in the best interests of Elan's Shareholders;

(vii) Elan's assistance, as appropriate, in obtaining support from its major institutional shareholders for the Possible Offer, if made; and

(viii) execution of an appropriate implementation agreement to govern the conduct of a scheme of arrangement if the transaction is to be structured in that manner.

Royalty Pharma reserves the right to waive any or all of the pre-conditions described in this announcement and to implement the Possible Offer by means of either a general offer or a scheme of arrangement.

Royalty Pharma reserves the right to reduce the Possible Offer price in the event that:

(i) Elan announces, declares or pays a dividend or any other distribution to its shareholders or announces or makes any share buyback or redemption; or

(ii) Elan agrees to or undertakes any extraordinary transaction, including an acquisition, in-licensing, or debt refinancing.

Customary terms and conditions under the Irish Takeover Rules will attach to the Possible Offer if made.

#### FURTHER INFORMATION ON ROYALTY PHARMA

Royalty Pharma is a private entity founded in 1996 and is the investment manager to entities investing in royalty interests in marketed and late stage biopharmaceutical products, with a portfolio of royalty interests in 37 approved and marketed products (including Abbott's Humira®, Johnson and Johnson's Remicade®, Merck's Januvia®, Gilead's Atripla®, Truvada®, and Emtriva®, Pfizer's Lyrica®, Amgen's Neupogen® and Neulasta®, and Genentech's Rituxan®). These entities have a longer than fifteen year history of providing value to holders of royalty interests, including a US\$400 million purchase of 80% of Memorial Sloan-Kettering Cancer Center's Neupogen®/ Neulasta® royalty, a US\$525 million joint acquisition with Gilead Sciences of Emory University's emtricitabine royalty interest, a US\$650 million purchase of New York University's Remicade® royalty, a US\$700 million acquisition of AstraZeneca's Humira® royalty, a US\$700 million purchase of a portion of Northwestern University's Lyrica® royalty, a US\$609 million acquisition of Astellas Pharma's patent estate and associated royalty stream relating to the use of dipeptidyl peptidase IV (DPP-IV) inhibitors for the treatment of type 2 diabetes including Januvia® and Janumet®, and most recently a US\$761 million purchase of a portion of an interest in Biogen's Tecfidera (formerly BG-12) for the treatment of multiple sclerosis held by the former shareholders of Fumapharm AG. These entities are well diversified across biopharmaceutical products and treatment areas with unaudited revenue of US\$1.39 billion for the 2012 financial year and unaudited EBITDA for the 2012 financial year of US\$1.35 billion.

#### Sources and Bases

(i) Save where otherwise stated, financial and other information concerning Elan and Royalty Pharma has been extracted from published sources or from Royalty Pharma's unaudited financial results for the year ended December 31, 2012;

(ii) calculation of Broker Median Price Target from third party reports – the median of price targets released following the announcement of the Tysabri Transaction on February 6, 2013 by Alphavalue, Berenberg Bank, Deutsche Bank, Exane BNP Paribas, Jefferies, Leerink Swann, Morgan Stanley (base case scenario), RBC Capital Markets, S&P, Spin-Off Research and UBS, and sourced from Bloomberg and broker notes;

(iii) calculation of Broker Projected Earnings Per Share from third party reports – the median of revised earnings per share forecasts sourced from broker reports published following the announcement of the Tysabri Transaction on February 6, 2013 by Berenberg Bank, Cowen, Davy Research, Deutsche Bank, Morgan Stanley, RBC and UBS;

(iv) calculation of Broker Projected EBITDA from third party reports – the median of revised EBITDA forecasts sourced from broker reports published following the announcement of the Tysabri Transaction on February 6, 2013 by Berenberg Bank, Davy Research, Deutsche Bank, Morgan Stanley and UBS;

(v) calculation of median projected EBITDA and earnings per share multiples for the Large Cap Biotech Companies and the Specialty Pharma Companies is based on multiples sourced from FactSet, company filings and equity research;

(vi) Biogen's presentation made to investors on February 6, 2013 following the announcement of the Tysabri Transaction;

(vii) Elan's 20-F SEC filing on February 12, 2013 for the financial year ended December 31, 2012; and

(viii) Alkermes plc (ALKS) 13-D SEC filing on February 6, 2013.

J.P. Morgan is lead financial advisor to Royalty Pharma with BofA Merrill Lynch and Groton Partners acting as co-advisors.

### **Filing Data**

*Not available.*

### **Contract**

*Not available.*