

GENENTECH BUSINESS DEVELOPMENT



- A third component of Genentech's four-point strategy for growth is to continue to accelerate the pace of forming strategic alliances. Significant new alliances made in 1996 and early 1997, and key progress made within earlier alliances, show how well planned partnerships with the right fit can contribute significantly to Genentech's success.



ALLIANCES



Partnering for Success

The joint Genentech/ IDEC/Roche project team for the C2B8 antibody meets to prepare to file for U.S. and European regulatory clearance to market the antibody for the treatment of non-Hodgkin's B-cell lymphoma. The filing, achieved in the first quarter of 1997, followed from successful Phase III results announced in December 1996. The collaboration with IDEC stems from Genentech's Business Development group's efforts to license late-stage products that can provide near-term market opportunities. In 1996, Roche opted to develop the C2B8 antibody outside the United States.

From new technologies, to new products, to new avenues for Genentech science, Genentech's partners in business build on the company's existing strengths

Genentech's strategy for business development is to access partners' resources that build on Genentech's strengths. Genentech has a clear, three-pronged approach:

First, the company seeks to license late-stage products that can augment its product portfolio and contribute to revenues near term. An example is Genentech's collaboration with IDEC to develop IDEC's C2B8 antibody. Another is the agreement with Roche for Genentech to promote Roferon-A in the United States for its approved cancer indications.

Second, Genentech partners with companies to access emerging technologies. Genentech's relationship with Incyte

Pharmaceuticals, for example, provides access to a powerful DNA sequence and gene expression database. And a relationship with Baxter Healthcare Corporation combines Genentech's understanding of Factor VIII* with Baxter's experience in cellular therapy.

Third, Genentech seeks partnerships to realize the value of its own promising products it chooses not to develop itself. With the wealth of products from Genentech's discovery research efforts, these relationships are essential to help keep Genentech scientists motivated and ensure promising new medicines are developed. Two examples are Genentech's anti-CD11a antibody (hu1124), for which XOMA is developing the manufacturing process necessary to support development and is conducting clinical trials, and the anti-CD18 antibody, for which Roche is conducting clinical trials, each in collaboration with Genentech. Through such relationships, Genentech minimizes the impact on its clinical resources yet maintains significant product rights.



Miya Weber (photo above), 43, was diagnosed with non-Hodgkin's B-cell lymphoma in early 1995 after she found a lump in her armpit. After her cancer did not respond to chemotherapy, she enrolled in the Phase III clinical trial for the C2B8 antibody in October 1995. Miya felt better within weeks. She had a complete response and was able to return to work as a probation officer.

* Genentech conducted the initial research and development that led to the recombinant Factor VIII now on the market for treating hemophilia.

Genentech's Partners

Genentech's collaborations include:

Alkermes – collaboration involving the development of a sustained release formulation of Genentech's human growth hormone.

Baxter – collaboration to jointly develop encapsulated cell therapy for hemophilia A.

Boehringer Ingelheim – collaboration to jointly develop TNK for treatment of acute myocardial infarction.

Cambridge Antibody Technology – collaborative research agreement based on CAT antibody engineering technology.

Connective Therapeutics – agreements for Connective to develop relaxin for the treatment of connective tissue disorders and other indications, and to develop interferon gamma to treat certain dermatological diseases.

CytoTherapeutics – collaborative agreement to develop neurotrophic factors in CytoTherapeutics' cell encapsulation technology to treat certain neurodegenerative diseases.

Genetics Institute – agreement to provide Genentech with access to the DiscoverEase™ library of secreted proteins.

Hoechst AG – collaboration to develop small molecule vitronectin receptor antagonists for treatment of chronic bone disorders.

IDEC Pharmaceuticals – collaboration to jointly develop IDEC's anti-CD20 monoclonal antibodies for the treatment of non-Hodgkin's B-cell lymphomas.

Immunex – exclusive license to Genentech for the LERK proteins for neurobiology uses.

Incyte Pharmaceuticals – agreement providing Genentech access to Incyte's LifeSeq® DNA sequence and gene expression database.

Massachusetts General Hospital – collaborative research agreement for basic developmental research conducted at the hospital's Cardiovascular Research Center through studies of zebrafish.

Novartis/Tanox – agreement to develop and commercialize anti-IgE monoclonal antibodies.

Roche – collaborations include: promoting of Roferon®-A for oncology indications, developing Genentech's anti-CD18 monoclonal antibody for treatment of hemorrhagic shock, manufacturing a TNF-receptor fusion protein being studied by Roche, and small molecule discovery collaborations focusing on antagonists to IIb/IIIa, LFA/ICAM, VLA 4/VCA M, and certain coagulation targets.

Scios – collaboration agreement for the development of Auriculin® anaritide for the treatment of oliguric acute renal failure.

Sensus – agreement for Sensus to develop growth hormone antagonists for treating certain growth disorders.

Tularik – agreement for Tularik to develop novel human therapeutics based on transcription factors.

VaxGen (formerly GenenVax) – agreement for VaxGen to develop gp120, a potential prophylactic AIDS vaccine.

Washington University – exclusive licensing agreement for neurturin, a protein which is believed to promote nerve cell growth and protect certain nerve cells against damage.

Xenova – joint discovery and development program for small molecules in the cardiovascular, growth control, inflammation and autoimmune disease areas.

XOMA – collaborative agreement to jointly develop Genentech's anti-CD11a monoclonal antibody for treatment of psoriasis and organ transplant rejection.