

Pharmacia & Upjohn and Gilead Sciences Announce Marketing Collaboration Outside of the U.S. for New AIDS-related Drug, VISTIDE®

August 8, 1996 4:15 PM ET

Kalamazoo, MI, and Foster City, CA -- August 8, 1996

Pharmacia & Upjohn (NYSE: PNU) and Gilead Sciences, Inc. ([NASDAQ:GILD](#)) announced today that they have entered into a collaboration to market VISTIDE (cidofovir injection) in all countries outside the United States. Gilead received marketing clearance for VISTIDE from the U.S. Food and Drug Administration in June and will continue to independently market the product in the U.S. through its antiviral specialty sales force.

Under the terms of the agreement, which is valued at (US) \$60 million, exclusive of royalties, Pharmacia & Upjohn will pay Gilead an initial license fee of \$10 million. Upon receipt of a European marketing authorization for VISTIDE, Gilead will receive a single milestone payment of \$10 million, and Pharmacia & Upjohn will acquire \$40 million of newly issued, Gilead preferred stock. The stock will be priced at 145 percent of the average closing price of Gilead's common stock over the thirty trading days prior to receipt of marketing authorization in Europe. Additional financial terms, including royalty payments, were not disclosed.

VISTIDE is an intravenous treatment for cytomegalovirus (CMV) retinitis, an opportunistic infection that afflicts 15 to 40 percent of patients with AIDS and puts them at risk for blindness. The agreement also gives Pharmacia & Upjohn rights outside of the U.S. to an intraocular form of cidofovir that Gilead is developing to treat CMV retinitis by direct injection into the eye.

In December of 1995 Gilead filed a marketing authorization for VISTIDE with the European Community's Committee for Proprietary Medicinal Products. That application is currently being reviewed under the EC's centralized procedure for product approvals.

Commenting on the license agreement, Ley S. Smith, Pharmacia & Upjohn's executive vice president and president, pharma product center, U.S., said, "The acquisition of this important product underscores Pharmacia & Upjohn's commitment to our infectious diseases business and to the treatment of HIV/AIDS. We currently market Mycobutin for the treatment of Mycobacterium avium complex, another opportunistic infection that afflicts AIDS patients. This fall, we expect the U.S. to become the first country where we will market Rescriptor Tablets, a promising treatment for HIV-1/AIDS that we will introduce globally. Later this year we will begin human testing of a protease inhibitor that we believe will offer significant advantages over those currently available."

"Pharmacia & Upjohn's experience marketing an important treatment for opportunistic infections in AIDS patients makes them very well suited to bring VISTIDE to market outside of the United States," said John C. Martin, president and chief executive officer of Gilead Sciences. "That experience and their worldwide strength in infectious diseases and ophthalmology will provide the global reach necessary to make VISTIDE the leading treatment for patients with CMV retinitis," he added.

A viral infection of the retina, CMV retinitis progressively affects a patient's vision over time and may ultimately lead to blindness. It most often affects patients with fewer than 50 CD4 T-cells, and it is estimated that the number of patients at risk for developing CMV retinitis may increase as people with AIDS live longer.

VISTIDE is a systemic treatment for CMV retinitis that is delivered by intravenous infusion once a week for two weeks (induction) and once every other week thereafter (maintenance). In contrast, other approved intravenous treatments for CMV retinitis are given daily or multiple times each day and often require a catheter surgically implanted in the chest or arm for chronic administration.

Pharmacia & Upjohn, Inc., is a research-based, pharmaceutically focused company dedicated to helping people around the world live longer and fuller lives. The company was formed through a merger of Pharmacia AB and The Upjohn Company and began operating in November 1995. Pharmacia & Upjohn is a provider of human health care and related products, and operates on a global basis. The company has a corporate management center in London and major research and manufacturing centers in the United States, Sweden and Italy.

Gilead Sciences is committed to developing important human therapeutics to treat viral infections. Gilead's first product,

VISTIDE, was granted marketing clearance by the U.S. Food and Drug Administration in June 1996 for the first-line treatment of cytomegalovirus (CMV) retinitis in patients with AIDS. In addition, the Company has other nucleotide product candidates in human testing for the potential treatment of viral diseases caused by human immunodeficiency virus (HIV), herpes simplex virus, human papillomavirus and hepatitis B virus.

Gilead Sciences is a leader in the discovery and development of a new class of human therapeutics based on nucleotides, the building blocks of DNA and RNA. The Company's research and development efforts encompass three interrelated programs: small molecule antivirals, cardiovascular therapeutics and genetic code blockers for cancer and other diseases. Gilead's expertise in each of these areas has also resulted in the discovery of non-nucleotide product candidates that expand the Company's technology platforms.