Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2002

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 0-19034

REGENERON PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

New York	13-3444607
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
777 Old Saw Mill River Road Tarrytown, New York	10591-6707
(Address of principal executive offices)	(Zip Code)

(914) 347-7000

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of July 31, 2002:

Class of Common Stock	Number of Shares
Class A Stock, $0.001 par value	2,500,581
Common Stock, $0.001 par value	41,522,075

TABLE OF CONTENTS

REGENERON PHARMACEUTICALS, INC.
Table of Contents
June 30, 2002

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

REGENERON PHARMACEUTICALS, INC.
CONDENSED BALANCE SHEETS AT JUNE 30, 2002 AND DECEMBER 31, 2001 (Unaudited)
(In thousands, except share data)

ASSETS	June 30, 2002	December 31, 2001
Current assets		
Cash and cash equivalents	$ 69,374	$ 247,393
Marketable securities	218,452	126,796
Restricted marketable securities	10,879	10,890
Receivable due from The Procter & Gamble Company	2,583	2,665
Receivable due from Merck & Co., Inc.	373	63
Receivable due from Amgen-Regeneron Partners	30	247
Prepaid expenses and other current assets	2,649	2,159
Inventory	5,365	3,973
Total current assets	309,705	394,186
Marketable securities	59,587	32,420
Restricted marketable securities	15,740	20,884
Investment in Amgen-Regeneron Partners	920	921
Property, plant, and equipment, at cost, net of accumulated depreciation and amortization	47,465	39,448
Other assets	7,034	7,538
Total assets	$ 440,451	$ 495,397
LIABILITIES and STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	$ 16,933	$ 14,830
Deferred revenue, current portion	4,220	6,766
Capital lease obligations, current portion	324	426
Total current liabilities	21,477	22,022
Deferred revenue	5,815	6,870
Capital lease obligations		150
Notes payable	200,000	200,000
Commitments and contingencies		
Stockholders' equity		
Preferred stock, $.01 par value; 30,000,000 shares authorized; issued and outstanding — none		
Class A Stock, convertible, $.001 par value; 40,000,000 shares authorized; 2,500,581 shares issued and outstanding in 2002 2,562,689 shares issued and outstanding in 2001	3	3
Common Stock, $.001 par value; 160,000,000 shares authorized; 41,519,730 shares issued and outstanding in 2002 41,264,280 shares issued and outstanding in 2001	41	41
Additional paid-in capital	569,884	567,624
Unearned compensation	(1,977)	(2,789)
Accumulated deficit	(355,566)	(299,698)
Accumulated other comprehensive income	774	1,174
Total stockholders' equity	213,159	266,355
Total liabilities and stockholders' equity	$ 440,451	$ 495,397

The accompanying notes are an integral part of the financial statements.

REGENERON PHARMACEUTICALS, INC.
CONDENSED STATEMENTS OF OPERATIONS (Unaudited)
(In thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2002	2001	2002	2001
Revenues				
Contract research and development	$ 2,745	$ 3,118	$ 5,435	$ 6,532
Contract manufacturing	2,824	2,661	5,075	5,560
	5,569	5,779	10,510	12,092
Expenses				
Research and development	30,702	19,596	56,177	36,401
Contract manufacturing	1,861	1,885	3,120	4,073
General and administrative	2,956	2,383	6,356	4,414
	35,519	23,864	65,653	44,888
Loss from operations	(29,950)	(18,085)	(55,143)	(32,796)
Other income, net				
Investment income	2,553	3,540	5,325	6,312
Earnings from (loss in) Amgen-Regeneron Partners	1	(246)	(1)	(1,297)
Interest expense	(3,027)	(43)	(6,049)	(90)
	(473)	3,251	(725)	4,925
Net loss	($30,423)	($14,834)	($55,868)	($27,871)
Net loss per share amounts, basic and diluted	($0.69)	($0.34)	($1.27)	($0.69)

The accompanying notes are an integral part of the financial statements.

REGENERON PHARMACEUTICALS, INC.
CONDENSED STATEMENT OF STOCKHOLDERS' EQUITY (Unaudited)
For the six months ended June 30, 2002
(In thousands)

	Class A Stock		Common Stock		Additional Paid-in Capital	Unearned Compensation	Accumulated Deficit
	Shares	Amount	Shares	Amount			
Balance, December 31, 2001	2,563	$3	41,264	$41	$567,624	($2,789)	($299,698)
Issuance of Common Stock in connection with exercise of stock options			168		1,429		
Issuance of restricted Common Stock under Long-Term Incentive Plan			4		67	(67)	
Issuance of Common Stock in connection with Company 401(k) Savings Plan contribution			22		764		
Conversion of Class A Stock to Common Stock	(62)		62				
Amortization of unearned compensation						879	
Net loss							(55,868)
Change in net unrealized gain on marketable securities							
Balance, June 30, 2002	2,501	$3	41,520	$41	$569,884	($1,977)	($355,566)

[Additional columns below]

[Continued from above table, first column(s) repeated]

	Accumulated Other Comprehensive Income	Total Stockholders' Equity	Comprehensive Loss
Balance, December 31, 2001	$1,174	$266,355	
Issuance of Common Stock in connection with exercise of stock options		1,429	
Issuance of restricted Common Stock under Long-Term Incentive Plan			
Issuance of Common Stock in connection with Company 401(k) Savings Plan contribution		764	
Conversion of Class A Stock to Common Stock			
Amortization of unearned compensation		879	
Net loss		(55,868)	($55,868)
Change in net unrealized gain on marketable securities	(400)	(400)	(400)
Balance, June 30, 2002	$ 774	$213,159	($56,268)

The accompanying notes are an integral part of the financial statements.

REGENERON PHARMACEUTICALS, INC.
CONDENSED STATEMENTS OF CASH FLOWS (Unaudited)
(In thousands)

	Six Months Ended June 30,	
	2002	2001
Cash flows from operating activities		
Net loss	($55,868)	($27,871)
Adjustments to reconcile net loss to net cash used in operating activities		
Loss in Amgen-Regeneron Partners	1	1,297
Depreciation and amortization	4,236	2,748
Non-cash compensation expense	879	369
Changes in assets and liabilities		
Decrease in amounts due from The Procter & Gamble Company	82	4,385
(Increase) decrease in amounts due from Merck & Co., Inc.	(310)	1,353
Decrease in amounts due from Amgen-Regeneron Partners	217	116
Decrease in amounts due from Sumitomo Pharmaceuticals Company, Ltd.		3,601
Increase in investment in Amgen-Regeneron Partners		(1,104)
Increase in prepaid expenses and other assets	(1,904)	(442)
(Increase) decrease in inventory	(830)	209
Decrease in deferred revenue	(3,601)	(1,633)
Increase (decrease) in accounts payable, accrued expenses, and other liabilities	1,455	(803)
Total adjustments	225	10,096
Net cash used in operating activities	(55,643)	(17,775)
Cash flows from investing activities		
Purchases of marketable securities	(194,705)	(75,999)
Sales of marketable securities	76,533	52,165
Sales of restricted marketable securities	5,500	
Capital expenditures	(10,881)	(3,856)
Net cash used in investing activities	(123,553)	(27,690)
Cash flows from financing activities		
Net proceeds from the issuance of stock	1,429	157,806
Principal payments on note payable		(33)
Capital lease payments	(252)	(331)
Net cash provided by financing activities	1,177	157,442
Net (decrease) increase in cash and cash equivalents	(178,019)	111,977
Cash and cash equivalents at beginning of period	247,393	30,978
Cash and cash equivalents at end of period	$ 69,374	$ 142,955

The accompanying notes are an integral part of the financial statements.

REGENERON PHARMACEUTICALS, INC.
Notes to Condensed Financial Statements
(Dollars in thousands, except per share data)

1. Interim Financial Statements

The interim Condensed Financial Statements of Regeneron Pharmaceuticals, Inc. ("Regeneron" or the "Company") have been prepared in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all information and disclosures necessary for a presentation of the Company's financial position, results of operations, and cash flows in conformity with generally accepted accounting principles. In the opinion of management, these financial statements reflect all adjustments, consisting only of normal recurring accruals, necessary for a fair presentation of the Company's financial position, results of operations, and cash flows for such periods. The results of operations for any interim periods are not necessarily indicative of the results for the full year. The December 31, 2001 Condensed Balance Sheet data was derived from audited financial statements, but does not include all disclosures required by generally accepted accounting principles. These financial statements should be read in conjunction with the financial statements and notes thereto contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2001.

2. Statement of Cash Flows

Supplemental disclosure of noncash investing and financing activities:

Included in accounts payable and accrued expenses at June 30, 2002 and December 31, 2001 are $3,358 and $1,946, respectively, of accrued capital expenditures. Included in accounts payable and accrued expenses at June 30, 2001 and December 31, 2000 are $806 and $672, respectively, of accrued capital expenditures.

Included in accounts payable and accrued expenses at December 31, 2001 and 2000 are $764 and $477, respectively, of accrued Company 401(k) Savings Plan contribution expense. In the first quarter of both 2002 and 2001, the Company contributed 21,953 and 17,484 shares, respectively, of Common Stock to the 401(k) Savings Plan in satisfaction of these obligations.

Included in marketable securities at June 30, 2002 and December 31, 2001 are $3,039 and $1,988, respectively, of accrued interest income. Included in restricted marketable securities at June 30, 2002 and December 31, 2001 are $499 and $154, respectively, of accrued interest income. Included in marketable securities at June 30, 2001 and December 31, 2000 are $2,247 and $2,346, respectively, of accrued interest income.

REGENERON PHARMACEUTICALS, INC.
Notes to Condensed Financial Statements
(Dollars in thousands, except per share data)

3. Inventories

Inventories consist of raw materials and other direct and indirect costs associated with production of an intermediate for a Merck & Co., Inc. pediatric vaccine under a long-term manufacturing agreement.

Inventories as of June 30, 2002 and December 31, 2001 consist of the following:

	June 30, 2002	December 31, 2001
Raw materials	$ 354	$ 374
Work-in-process	210	227(2)
Finished products	4,801(1)	3,372
	$5,365	$3,973

(1) Net of reserves of $810.

(2) Net of reserves of $230.

4. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses as of June 30, 2002 and December 31, 2001 consist of the following:

	June 30, 2002	December 31, 2001
Accounts payable	$ 5,515	$ 3,007
Accrued payroll and related costs	2,872	3,662
Accrued clinical trial expense	1,966	2,583
Accrued expenses, other	4,288	3,286
Interest payable on convertible notes	2,292	2,292
	$16,933	$14,830

REGENERON PHARMACEUTICALS, INC.
Notes to Condensed Financial Statements
(Dollars in thousands, except per share data)

5. Comprehensive Loss

Comprehensive loss represents the change in net assets of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. Comprehensive loss of the Company includes net loss adjusted for the change in net unrealized gain or loss on marketable securities. The net effect of income taxes on comprehensive loss is immaterial. For the six months ended June 30, 2002 and 2001, the components of comprehensive loss are:

	Six Months Ended June 30,	
	2002	2001
Net loss	($55,868)	($27,871)
Change in net unrealized gain on marketable securities	(400)	383
Total comprehensive loss	($56,268)	($27,488)

6. Stock Compensation

The Company awards shares of Restricted Stock under the Regeneron Pharmaceuticals, Inc. 2000 Long-Term Incentive Plan. Restrictions on these shares lapse with respect to 25% of the shares every six months over approximately a two-year period. In accordance with generally accepted accounting principles, the Company records unearned compensation in Stockholders' Equity related to these awards. The amount is based on the fair market value of shares of the Company's Common Stock on the grant date of the Restricted Stock award and is expensed, on a pro rata basis, over the period that the restrictions lapse. For the three and six months ended June 30, 2002, the Company recognized compensation expense related to Restricted Stock awards of $440 and $879, respectively. For the three and six months ended June 30, 2001, the Company recognized compensation expense related to Restricted Stock awards of $188 and $369, respectively.

7. Per Share Data

The Company's basic net loss per share amounts have been computed by dividing net loss by the weighted average number of Common and Class A shares outstanding. For the three and six months ended June 30, 2002 and 2001, the Company reported net losses and, therefore, no common stock equivalents were included in the computation of diluted net loss per share, since such inclusion would have been antidilutive. The calculations of basic and diluted net loss per share are as follows:

REGENERON PHARMACEUTICALS, INC.
Notes to Condensed Financial Statements
(Dollars in thousands, except per share data)

	Three Months Ended June 30,		
	Net Loss, in thousands (Numerator)	Shares, in thousands (Denominator)	Per Share Amount
2002:			
Basic and Diluted	($30,423)	43,914	($0.69)
2001:			
Basic and Diluted	($14,834)	43,508	($0.34)

	Six Months Ended June 30,		
	Net Loss, in thousands (Numerator)	Shares, in thousands (Denominator)	Per Share Amount
2002:			
Basic and Diluted	($55,868)	43,868	($1.27)
2001:			
Basic and Diluted	($27,871)	40,471	($0.69)

Shares issuable upon the exercise of options and warrants, vesting of restricted stock awards, and conversion of convertible debt, which have been excluded from the diluted per share amounts because their effect would have been antidilutive, include the following:

	Three Months Ended June 30,	
	2002	2001
Options:		
Weighted Average Number, in thousands	9,471	7,538
Weighted Average Exercise Price	$21.48	$18.91
Restricted Stock Awards:		
Weighted Average Number, in thousands	97	39
Convertible Debt:		
Weighted Average Number, in thousands	6,611	
Conversion Price	$30.25	

\

REGENERON PHARMACEUTICALS, INC.
Notes to Condensed Financial Statements
(Dollars in thousands, except per share data)

	Six Months Ended June 30,	
	2002	2001
Options and Warrants:		
Weighted Average Number, in thousands	9,447	7,580
Weighted Average Exercise Price	$21.38	$18.96
Restricted Stock Awards:		
Weighted Average Number, in thousands	97	38
Convertible Debt:		
Weighted Average Number, in thousands	6,611	
Conversion Price	$30.25	

8. Segment Reporting

The Company's operations are principally managed in two business segments: research and development, and contract manufacturing.

Research and development: Includes all activities related to the discovery of potential therapeutics for human medical conditions, and the development and commercialization of these discoveries. Also includes revenues and expenses related to the development of manufacturing processes prior to commencing commercial production of a product under contract manufacturing arrangements.

Contract manufacturing: Includes all revenues and expenses related to the commercial production of products under contract manufacturing arrangements. The Company produces an intermediate for a Merck & Co., Inc. pediatric vaccine under a long-term manufacturing agreement.

The tables below present information about reported segments for the three and six months ended June 30, 2002 and 2001.

	Three Months Ended June 30, 2002			
	Research & Development	Contract Manufacturing	Reconciling Items	Total
Revenues	$ 2,745	$2,824	—	$ 5,569
Earnings from Amgen- Regeneron Partners	1	—	—	1
Depreciation and amortization	1,967	—(1)	$ 261	2,228
Interest Expense	15	1	3,011	3,027
Net (loss) income	(30,927)	962	(458)(2)	(30,423)
Capital expenditures	7,656	14	—	7,670

REGENERON PHARMACEUTICALS, INC.
Notes to Condensed Financial Statements
(Dollars in thousands, except per share data)

	Three Months Ended June 30, 2001			
	Research & Development	Contract Manufacturing	Reconciling Items	Total
Revenues	$ 3,118	$2,661	—	$ 5,779
Loss in Amgen-Regeneron Partners	246	—	—	246
Depreciation and amortization	1,419	—(1)	—	1,419
Interest expense	31	12	—	43
Net (loss) income	(19,138)	764	$3,540(3)	(14,834)
Capital expenditures	2,128	24	—	2,152

	Six Months Ended June 30, 2002			
	Research & Development	Contract Manufacturing	Reconciling Items	Total
Revenues	$ 5,435	$ 5,075	—	$ 10,510
Loss in Amgen-Regeneron Partners	1	—	—	1
Depreciation and amortization	3,714	—(1)	$ 522	4,236
Interest expense	26	2	6,021	6,049
Net (loss) income	(57,125)	1,953	(696)(2)	(55,868)
Capital expenditures	12,258	35	—	12,293
Total assets	45,271	10,545	384,635(4)	440,451

	Six Months Ended June 30, 2001			
	Research & Development	Contract Manufacturing	Reconciling Items	Total
Revenues	$ 6,532	$5,560	—	$ 12,092
Loss in Amgen-Regeneron Partners	1,297	—	—	1,297
Depreciation and amortization	2,748	—(1)	—	2,748
Interest expense	64	26	—	90
Net (loss) income	(35,644)	1,461	$ 6,312(3)	(27,871)
Capital expenditures	3,966	25	—	3,991
Total assets	35,837	8,499	291,959(4)	336,295

(1) Depreciation and amortization related to contract manufacturing is capitalized into inventory and included in contract manufacturing expense when the product is shipped.
(2) Represents investment income, net of interest expense related to convertible notes issued in October 2001.
(3) Represents investment income.
(4) Includes cash and cash equivalents, marketable securities, restricted marketable securities, prepaid expenses and other current assets.

REGENERON PHARMACEUTICALS, INC.
Notes to Condensed Financial Statements
(Dollars in thousands, except per share data)

9. Legal Matters

The Company, from time to time, has been subject to legal claims arising in connection with its business. While the ultimate results of the legal claims cannot be predicted with certainty, at June 30, 2002 there were no asserted claims against the Company which, in the opinion of management, if adversely decided would have a materially adverse effect on the Company's financial position, results of operations, and cash flows.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

General

Overview. *The discussion below contains forward-looking statements that involve risks and uncertainties relating to the future financial performance of Regeneron Pharmaceuticals, Inc. and actual events or results may differ materially. These statements concern, among other things, the possible therapeutic applications of our product candidates and research programs, the timing, nature, and success of the clinical and research programs now underway or planned, and the future uses of capital and our financial needs. These statements are made by us based on management's current beliefs and judgment. In evaluating such statements, stockholders and potential investors should specifically consider the various factors identified under the caption "Factors That May Affect Future Operating Results" which could cause actual results to differ materially from those indicated by such forward-looking statements. We do not undertake any obligation to update publicly any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law.*

Regeneron Pharmaceuticals, Inc., which may be referred to as "we", "us", or "our", is a biopharmaceutical company that discovers, develops, and intends to commercialize therapeutic drugs for the treatment of serious medical conditions. Our product pipeline includes product candidates for the treatment of obesity, rheumatoid arthritis and other inflammatory conditions, cancer and related disorders, allergies, asthma, and other diseases and disorders. Developing and commercializing new drugs entails risk and significant expense. Since inception, we have not generated any sales or profits from the commercialization of any of our product candidates.

Our core business strategy is to combine our strong foundation in science and technology with state-of-the-art manufacturing and clinical development capabilities to build a successful, integrated biopharmaceutical company. Our efforts have yielded a diverse and growing pipeline of product candidates that have the potential to address a variety of unmet medical needs. Our ability to develop product candidates results from the application of our technology platforms, which are designed to discover specific genes of therapeutic interest for a particular disease or cell type. We will continue to invest in the development of enabling technologies to assist in our efforts to identify, develop, and commercialize new product candidates.

A key aspect of our strategy is to retain significant ownership and commercialization rights to our pipeline. Below is a summary of our leading clinical and preclinical research programs. We retain sole ownership and marketing rights for each of these programs and currently are developing them independent of any corporate partners.

- **AXOKINE®**: Acts on the brain region regulating food intake and energy expenditure and is being developed for the treatment of obesity. In November 2000, we announced the preliminary results of a twelve-week Phase II dose-ranging trial of AXOKINE in 170 severely obese patients. In the trial, AXOKINE was generally well tolerated and patients treated with AXOKINE showed medically meaningful and statistically significant weight loss compared to those receiving placebo. In September 2001, we reported that patients who completed 36 weeks of follow-up after cessation of AXOKINE treatment, on average, maintained the weight loss observed in the twelve-week treatment period. In July 2001, we initiated a Phase III clinical program of AXOKINE in overweight and obese patients. In January 2002, we announced that we had completed enrollment for a pivotal trial that includes approximately 2,000 patients in 65 sites across the United States. In July 2002, we announced that we had completed enrollment for two additional trials, that each include approximately 300 patients, to study maintenance of weight loss following short-term treatment regimens with AXOKINE. In June 2002, we announced the initiation of a clinical trial to assess the safety and efficacy of AXOKINE in overweight and obese individuals with type 2 diabetes mellitus.

- **PEGYLATED AXOKINE:** Chemically modified version of AXOKINE that is being developed as a potentially longer-acting form of the protein. In June 2002, we initiated a Phase I clinical trial to assess the safety and pharmacokinetics of pegylated AXOKINE in obese individuals.

- **INTERLEUKIN-1 CYTOKINE TRAP (IL1 Trap):** Protein-based drug candidate designed to bind the interleukin-1 (called IL1) cytokine and prevent its interaction with cell surface receptors. IL1 is thought to play a major role in rheumatoid arthritis and other inflammatory diseases. In December 2000, we initiated a Phase I study to assess the safety and tolerability of the IL1 Trap in patients with rheumatoid arthritis. In January 2002, we reported positive preliminary results from the trial. Patients treated with the IL1 Trap experienced dose-dependent improvements in tender and swollen joints and CRP (C-Reactive Protein) levels, as well as the composite ACR (American College of Rheumatology) measure of disease activity. In July 2002, we announced the initiation of a dose-ranging Phase II trial, that will involve approximately 200 participants, to study the safety and efficacy of the IL1 Trap in patients with rheumatoid arthritis.

- **INTERLEUKIN-4/INTERLEUKIN-13 CYTOKINE TRAP (IL4/IL13 Trap):** Protein-based drug candidate designed to bind the interleukin-4 and interleukin-13 (called IL4 and IL13) cytokines and prevent their interaction with cell surface receptors. IL4 and IL13 are thought to play a major role in diseases such as asthma, allergic disorders, and other inflammatory diseases. In July 2002, we announced that we had submitted an Investigational New Drug (IND) application to the U.S. Food and Drug Administration (FDA) to initiate a clinical trial development program for a dual IL4/IL13 Trap in adult patients with asthma.

- **VEGF TRAP:** Protein-based drug candidate designed to bind Vascular Endothelial Growth Factor (called VEGF, also known as Vascular Permeability Factor or VPF) and prevent its interaction with cell surface receptors. VEGF is required for the growth of blood vessels that are needed for tumors to grow and is a potent regulator of vascular permeability and leak. In 2001, we initiated a Phase I clinical trial designed to assess the safety and tolerability of VEGF Trap in patients with solid tumor malignancies and patients with non-Hodgkin's lymphoma.

- **ANGIOPOIETINS:** A new family of growth factors that act specifically on the endothelium cells that line blood vessels. Angiopoietins may be useful for growing blood vessels in diseased hearts and other tissues with decreased blood flow and for repairing blood vessel leaks that cause swelling and edema in many different diseases such as stroke, diabetic retinopathy, and inflammatory diseases. We have an active preclinical research program covering this family of growth factors.

In addition to the above programs which we are conducting independent of any corporate partners, we have formed collaborations to advance other research and development efforts. We are conducting research with The Procter & Gamble Company in muscle diseases and other fields. We are also collaborating with Medarex, Inc. to discover, develop, and commercialize certain human antibodies as therapeutics. In partnership with Amgen Inc., we have development rights to Neurotrophin-3, or NT-3, a clinical compound for the treatment of constipating conditions, although there are no ongoing development activities for NT-3 at this time. In all of these research collaborations, we retain 50% of the commercialization rights.

Discussion of Second Quarter 2002 Activities

In July 2001, we initiated a Phase III clinical program of AXOKINE in overweight and obese patients. We announced in January 2002 that the initial trial was fully enrolled with approximately 2,000 patients at 65 sites across the United States. This trial is a double-blind, randomized, placebo-controlled study. It will have a twelve-month treatment period, in which patients will receive daily subcutaneous self-injections of placebo or AXOKINE at a dose of 1.0 microgram (mcg) per kilogram (kg) of body weight. The treatment period will be followed by a twelve-month open-label safety extension phase, during which all patients will receive AXOKINE. Endpoints of the study are based on changes in body weight versus baseline during the treatment period.

During the second quarter of 2002, we initiated three additional studies in the AXOKINE Phase III program. Two of the studies, which were fully enrolled in July 2002 and are running concurrently, each involve approximately 300 patients. The randomized, double-blind short-term treatment studies will assess the safety and efficacy of AXOKINE compared with placebo in two different dosing periods, and are being conducted at approximately 20 sites within the United States. Participants in the first study are being given AXOKINE or placebo for 6 months and will then be observed for

another 6 months off-treatment. The companion study is treating subjects with AXOKINE or placebo for 3 months and will observe them for an additional 9 months off-treatment. The primary end-point of these studies is weight loss at the end of 12 months. At the end of the initial 12-month treatment and observation periods of the two studies, participants will receive an additional 6 months of treatment of which 3 months is on AXOKINE and 3 months on placebo. A follow-up evaluation will be made to assess the safety and weight-loss effects of re-treatment with AXOKINE.

The third study, initiated in June 2002, will assess the safety and efficacy of AXOKINE in overweight and obese individuals with type 2 diabetes mellitus. In this double-blind, placebo-controlled study, participants will be randomized into three treatment groups and given placebo or one of two AXOKINE doses (0.5 or 1.0 mcg/kg/day) for 12 weeks. At the end of the initial phase, participants, in two separate dose groups, will receive AXOKINE for a 12-week extension period. This study will involve approximately 180 overweight and obese subjects with type 2 diabetes and be conducted at approximately 12 sites within the United States. The trial will measure weight loss and explore the short-term effects of weight loss with AXOKINE on blood levels of insulin, glucose, and other glycemic parameters.

As part of the overall Phase III program, Regeneron plans to conduct additional confirmatory and ancillary studies of AXOKINE in obese and obese diabetic patients. These studies will vary in duration and size and are planned to be completed within a similar time frame as the initial pivotal study described above. The Phase III program is expected to enroll over 4,000 subjects in total.

In June 2002, we initiated a Phase I clinical trial to assess the safety and pharmacokinetics of the Company's pegylated version of AXOKINE (PegAXOKINE) for the treatment of obesity. We developed this chemically modified version of AXOKINE to remain in the bloodstream longer. The PegAXOKINE Phase I trial is a placebo-controlled, double-blind, single-dose, dose-escalation study.

In December 2000, we initiated a Phase I study of the IL1 Trap to assess its safety and tolerability in patients with rheumatoid arthritis. The placebo-controlled, double-blind, dose-escalation study was conducted at several centers in the United States and included a single dose phase and a multiple dose phase. In January 2002, we reported positive preliminary results from the trial. The preliminary results indicated that patients treated with the IL1 Trap experienced dose dependent improvements in tender and swollen joints and CRP levels as well as the composite ACR measure of disease activity.

In July 2002, we announced the initiation of a dose-ranging Phase II trial to study the safety and efficacy of the IL1 Trap in patients with rheumatoid arthritis. The trial is a randomized, placebo-controlled, double-blind study in patients who have had an inadequate response to at least one disease-modifying anti-rheumatic medicine. The study will involve approximately 200 participants, who will be randomized equally into placebo or one of three fixed-dose groups (25, 50, or 100 milligrams) to receive self-administered, weekly subcutaneous injections. The double-blind treatment period will be

12 weeks, and participants will also be evaluated for 10 weeks following treatment. The American College of Rheumatology (ACR20) criteria for improvement in rheumatoid arthritis as a function of IL1 Trap dose will be the primary end-point.

In July 2002, we entered into an agreement with Amgen and Immunex Corporation for a non-exclusive license to certain intellectual property rights which may be used in the development and commercialization of the IL1 Trap. Amgen and Immunex agreed to grant the license as part of a consent agreement with the United States Federal Trade Commission in connection with Amgen's acquisition of Immunex. This agreement followed licensing arrangements with ZymoGenetics, Inc. and Tularik Inc., under which we obtained non-exclusive rights to patents for potential use in the IL1 Trap program. We will be required to make royalty payments under these three license agreements on any future sales of the IL1 Trap.

In July 2002, we announced that we had submitted an IND application to the FDA to initiate a clinical trial development program for a dual IL4/IL13 Trap in adult patients with asthma. The proposed Phase I study is designed to evaluate the safety and tolerability of increasing doses of the IL4/IL13 Trap in adult patients with mild to moderate asthma.

In November 2001, we initiated a Phase I clinical trial designed to assess the safety and tolerability of VEGF Trap in patients with solid tumor malignancies and patients with non-Hodgkin's lymphoma. The Phase I trial is an open-label study in patients with advanced tumors and will evaluate the VEGF Trap in increasing dose levels. The study is being conducted at three clinical sites in the United States.

A minority of all research and development programs ultimately results in commercially successful pharmaceutical drugs; it is not possible to predict whether any program will succeed until it actually produces a medicine that is commercially marketed for a significant period of time. In addition, in each of the areas of our independent and collaborative activities, other companies and entities are actively pursuing competitive paths toward similar objectives. The results of Regeneron's and its collaborators' past activities in connection with the research and development of AXOKINE, Cytokine Traps, Angiopoietins, cancer, abnormal bone growth, muscle atrophy, small molecules, and other programs or areas of research or development do not necessarily predict the results or success of current or future activities including, but not limited to, any additional preclinical or clinical studies. We cannot predict whether, when, or under what conditions any of our research or product candidates, including without limitation AXOKINE, Pegylated AXOKINE, IL1 Trap, or VEGF Trap, will be shown to be safe or effective to treat any human condition or be approved for marketing by any regulatory agency. The delay or failure of current or future studies to demonstrate the safety or efficacy of product candidates to treat human conditions or to be approved for marketing could have a material adverse impact on us. We discuss the risks associated with pharmaceutical drug development in the section of this report titled "Factors That May Affect Future Operating Results."

We have not received revenue from the commercialization of our product candidates and may never receive such revenues. Before revenues from the commercialization of our product candidates can be realized, we (or our collaborators) must overcome a number of hurdles which include successfully completing our research and development efforts and obtaining regulatory approval from the FDA or regulatory authorities in other countries. In addition, the biotechnology and pharmaceutical industries are rapidly evolving and highly competitive, and new developments may render our products and technologies noncompetitive or obsolete.

From inception on January 8, 1988 through June 30, 2002, we had a cumulative loss of $355.6 million. In the absence of revenues from the commercialization of our product candidates or other sources, the amount, timing, nature, or source of which cannot be predicted, our losses will continue as we conduct our research and development activities. Our activities may expand over time and may require additional resources and we expect our operating losses to be substantial over at least the next several years. Our losses may fluctuate from quarter to quarter and will depend, among other factors, on the timing of certain expenses and on the progress of our research and development efforts.

Results of Operations

Three months ended June 30, 2002 and 2001. Our total revenue decreased to $5.6 million for the second quarter of 2002 from $5.8 million for the same period in 2001. Contract research and development revenue decreased to $2.7 million for the second quarter of 2002 from $3.1 million for the same period in 2001, due to the completion of studies conducted on behalf of Amgen-Regeneron Partners. Contract manufacturing revenue increased to $2.8 million in the second quarter of 2002 from $2.7 million for the same period in 2001. Contract manufacturing revenue relates primarily to our long-term agreement with Merck & Co., Inc. to manufacture a vaccine intermediate at our Rensselaer, New York facility. Although we shipped similar quantities of product to Merck in the two quarters, the revenue increase in 2002 resulted primarily from higher rates of reimbursement.

Our total operating expenses increased to $35.5 million in the second quarter of 2002 from $23.9 million for the same period in 2001. Research and development expenses increased to $30.7 million in the second quarter of 2002 from $19.6 million for the comparable period in 2001, due primarily to higher costs associated with our increase in clinical program activity, especially related to our Phase III clinical program for AXOKINE, which we initiated in July 2001. In addition, research and development expenses increased as a result of higher staffing in support of our increased clinical program activity and expanded research programs and the technology platforms supporting that research. Research and development expenses were 86% of total operating expenses in the second quarter of 2002, compared to 82% for the same period in 2001. Contract manufacturing expenses related to our long-term agreement with Merck were $1.9 million for both the second quarter of 2002 and 2001. General and administrative expenses increased to $3.0 million in the second quarter of 2002 from $2.4 million for the same period of 2001, due primarily to higher administrative staffing to

support the growth of the company, higher fees paid to outside service providers, and higher patent and legal expenses related to the protection and expansion of our intellectual property portfolio.

Investment income decreased to $2.6 million in the second quarter of 2002 from $3.5 million for the same period of 2001, due to lower effective interest rates on investment securities in 2002 compared to 2001. We earned approximately $1,000 from Amgen-Regeneron Partners for the second quarter of 2002 compared to a loss of $0.2 million for the same period in 2001. The partnership's second quarter 2002 net income is attributable to the receipt of miscellaneous vendor credits related to completed clinical trials. The partnership is not currently conducting any clinical studies. Interest expense increased $3.0 million in the second quarter of 2002 compared to the same period in 2001, due to interest incurred on the $200.0 million aggregate principal amount of convertible senior subordinated notes issued in October 2001. These notes bear interest at 5.5% per annum, payable semi-annually.

Our net loss for the second quarter of 2002 was $30.4 million, or $0.69 per share (basic and diluted), compared to a net loss of $14.8 million, or $0.34 per share (basic and diluted), for the same period in 2001.

Six months ended June 30, 2002 and 2001. Our total revenue decreased to $10.5 million for the six months ended June 30, 2002 from $12.1 million for the same period in 2001. Contract research and development revenue decreased to $5.4 million for the six months ended June 30, 2002 from $6.5 million for the same period in 2001, due to the substantial completion of studies conducted on behalf of Amgen-Regeneron Partners. Contract manufacturing revenue, related primarily to our long-term agreement with Merck, decreased to $5.1 million in the first half of 2002 from $5.6 million for the same period in 2001, because we shipped less product to Merck. Quantities of product that we manufactured for Merck in the first half of 2002 will not be shipped until later this year. Contract manufacturing revenue and the related manufacturing expense are recognized as product is accepted and shipped.

Our total operating expenses increased to $65.7 million for the six months ended June 30, 2002 from $44.9 million for the same period in 2001. Research and development expenses increased to $56.2 million in the first six months of 2002 from $36.4 million for the comparable period in 2001, due primarily to higher costs associated with our increase in clinical program activity, especially related to our Phase III clinical program for AXOKINE, which we initiated in July 2001. In addition, research and development expenses increased as a result of higher staffing in support of our increased clinical program activity and expanded research programs and the technology platforms supporting that research. Research and development expenses were 86% of total operating expenses for the first six months of 2002, compared to 81% for the same period in 2001. Contract manufacturing expenses related to our long-term agreement with Merck decreased to $3.1 million for the six months ended June 30, 2002 from $4.1 million for the same period in 2001, primarily due to the above-described decrease in shipments of product to Merck and higher manufacturing costs in the first quarter of

2001. General and administrative expenses increased to $6.4 million in the first six months of 2002 from $4.4 million for the same period of 2001, due primarily to higher administrative staffing to support the growth of the company, higher fees paid to outside service providers, and higher patent and legal expenses related to the protection and expansion of our intellectual property portfolio.

Investment income decreased to $5.3 million for the six months ended June 30, 2002 from $6.3 million for the same period of 2001, due to lower effective interest rates on investment securities in 2002 compared to 2001. The loss in Amgen-Regeneron Partners decreased to approximately $1,000 in the first six months of 2002 compared to $1.3 million for the same period in 2001, due to the substantial completion of studies conducted on behalf of the partnership. Interest expense increased by $6.0 million for the first six months of 2002 compared to the same period in 2001, due to interest incurred on the $200.0 million aggregate principal amount of convertible senior subordinated notes issued in October 2001. These notes bear interest at 5.5% per annum, payable semi-annually.

Our net loss for the six months ended June 30, 2002 was $55.9 million, or $1.27 per share (basic and diluted), compared to a net loss of $27.9 million, or $0.69 per share (basic and diluted), for the same period in 2001.

Liquidity and Capital Resources

Since our inception in 1988, we have financed our operations primarily through private placements and public offerings of our equity securities, a private placement of convertible debt, revenue earned under our agreements with Amgen, Sumitomo Chemical Co., Ltd., Sumitomo Pharmaceuticals Company, Ltd., Merck, and Procter & Gamble, and investment income.

We and Procter & Gamble have a long-term collaboration agreement. Under our agreement, since the first quarter of 2001 and through December 2005, Procter & Gamble provides funding in support of our research efforts related to the collaboration of $2.5 million per quarter, plus adjustments for inflation.

We are compensated by Amgen-Regeneron Partners for services we render on behalf of the partnership, and we recognize these amounts as revenue. We and Amgen fund Amgen-Regeneron Partners through capital contributions. If there are any further development costs of the partnership, we would expect to fund 50% of those costs in order to maintain equal ownership and equal sharing of the profits or losses of the partnership. Our aggregate capital contribution to Amgen-Regeneron Partners from the partnership’s inception in June 1993 through June 30, 2002 was $57.9 million. We do not expect to make capital contributions to the partnership in 2002 since there are currently no ongoing development activities. Additional contributions may be required, if, among other things, Amgen-Regeneron Partners initiates any new development activities.

At June 30, 2002, we had $374.0 million in cash, cash equivalents, marketable securities, and restricted marketable securities. We have no off-balance sheet arrangements and do not guarantee the obligations of any other entity. As of June 30, 2002, we had no established banking arrangements through which we could obtain short-term financing or a line of credit. We may seek additional funding through, among other things, future collaboration agreements and public or private financing. We cannot assure you that additional financing will be available to us or, if available, that it will be available on acceptable terms.

Our additions to property, plant, and equipment totaled $12.3 million and $4.0 million for the first six months of 2002 and 2001, respectively. During March 2002, we entered into a new sublease for additional space at our Tarrytown, New York location, which expires in December 2005. During July 2002, we entered into a new lease for manufacturing and warehouse space adjacent to our Rensselaer, New York facility, which expires in July 2007 and contains renewal options to extend the lease for two additional five-year terms. During August 2002, we leased additional space at our Tarrytown location, with a term that expires in December 2006 and a renewal option to extend for an additional three-year period. Our base rent will increase by $1.6 million per year for these additional premises in Tarrytown and Rensselaer, New York, excluding costs for utilities, real estate taxes, and operating expenses.

We expect to incur substantial funding requirements for, among other things, research and development activities (including preclinical and clinical testing), expansion and validation of manufacturing facilities, and the acquisition of equipment. We anticipate that expenses for research and development will increase in 2002 by 30% or more over 2001 amounts. We currently anticipate that for the remainder of 2002, approximately 50-70% of our expenditures will be directed toward the preclinical and clinical development of product candidates, including AXOKINE, PegAXOKINE, IL1 Trap, IL4/13 Trap, VEGF Trap, and the angiopoietins; approximately 10-20% will be invested in expansion of our manufacturing facilities; approximately 10-30% will cover our basic research activities; approximately 5-15% will be directed toward the continued development of our novel technology platforms, including potential efforts to commercialize these technologies; and the remainder of our expenditures will be for general corporate purposes, including administrative expenses and working capital. During the remainder of 2002, we expect to lease additional space in our Tarrytown, New York location and incur approximately $35 million in capital expenditures for our expanded manufacturing and research and development activities.

We anticipate that expenses related to the filing, prosecution, defense, and enforcement of patent and other intellectual property claims will continue to be substantial as a result of patent filings and prosecutions in the United States and foreign countries.

The amount we need to fund operations will depend on various factors, including the status of competitive products, the success of our research and development programs, the potential future need to expand our professional and support staff and facilities, the status of patents and other intellectual property rights, the delay or failure of a clinical trial of any of our potential drug candidates, and the continuation, extent, and success of any collaborative research arrangements (including those with Procter & Gamble, Medarex, Emisphere Technologies, Inc., and Amgen). Clinical trial costs are

dependent, among other things, on the size and duration of trials, fees charged for services provided by clinical trial investigators and other third parties, and the costs for manufacturing the product candidate for use in the trials, supplies, laboratory tests, and other expenses. The amount of funding that will be required for our clinical programs depends upon the results of our research and preclinical programs and early-stage clinical trials, regulatory requirements, the clinical trials underway plus additional clinical trials that we decide to initiate, and the various factors that affect the cost of each trial as described above. We believe that our existing capital resources will enable us to meet operating needs through at least 2003. However, this is a forward-looking statement based on our current operating plan, and we cannot assure you that there will be no change in projected revenues or expenses that would lead to our capital being consumed significantly before such time. If there is insufficient capital to fund all of our planned operations and activities, we believe we would prioritize available capital to fund preclinical and clinical development of our product candidates.

Factors That May Affect Future Operating Results

We caution shareholders and potential investors that the following important factors, among others, in some cases have affected, and in the future could affect, our actual results and could cause our actual results to differ materially from those expressed in any forward-looking statements made by, or on behalf of, us. The statements under this caption are intended to serve as cautionary statements within the meaning of the Private Securities Litigation Reform Act of 1995. The following information is not intended to limit in any way the characterization of other statements or information under other captions as cautionary statements for such purpose:

- Delay, difficulty, or failure of our research and development programs to produce product candidates that are scientifically or commercially appropriate for further development by us or others.

- Cancellation or termination of material collaborative or licensing agreements (including in particular, but not limited to, the agreement with Procter & Gamble) and the resulting loss of research or other funding could have a material adverse effect on us and our operations. A change of control of one or more of our material collaborators or licensees could also have a material adverse effect on us.

- Delay, difficulty, or failure of a clinical trial of any of our product candidates. A clinical trial can fail or be delayed as a result of many causes, including, among others, failure of the product candidate to demonstrate safety or efficacy, the development of serious or life-threatening adverse events (side effects) caused by or connected with exposure to the product candidate, difficulty in enrolling and maintaining patients, lack of sufficient supplies of the product candidate, and the failure of clinical investigators, trial monitors and other consultants, or trial subjects to comply with the trial plan or protocol.

- In addition to the safety, efficacy, manufacturing, and regulatory hurdles faced by our pharmaceutical candidates, the administration of recombinant proteins frequently causes an immune response, resulting in the creation of antibodies against the therapeutic protein. The antibodies can have no effect or can totally neutralize the effectiveness of the protein, or require that higher doses be used to obtain a therapeutic effect. In some cases, the antibody can cross react with the patient's own proteins, resulting in an "auto-immune type" disease. Whether antibodies will be created can often not be predicted from preclinical experiments and their appearance is often delayed, so that there can be no assurance that neutralizing antibodies will not be created at a later date — in some cases even after pivotal clinical trials have been successfully completed. Patients who have received AXOKINE in clinical trials have developed antibodies.

- Delay, difficulty, or failure in obtaining regulatory approval (including approval of our facilities for production) for our products, including delays or difficulties in development because of insufficient proof of safety or efficacy.

- Increased and irregular costs of development, manufacture, regulatory approval, sales, and marketing associated with the introduction of products in the late stage of development.

- Competitive or market factors that may cause use of our products to be limited or otherwise fail to achieve broad acceptance.

- The ability to obtain, maintain, and prosecute intellectual property rights and the cost of acquiring in-process technology and other intellectual property rights, either by license, collaboration, or purchase of another entity.

- Difficulties or high costs of obtaining adequate financing to fund the cost of developing product candidates.

- Amount and rate of growth of our general and administrative expenses, and the impact of unusual charges resulting from our ongoing evaluation of our business strategies and organizational structure.

- Failure of corporate partners to develop or commercialize successfully our products or to retain and expand the markets served by the commercial collaborations; conflicts of interest, priorities, and commercial strategies which may arise between our corporate partners and us.

- Delays or difficulties in developing and acquiring production technology and technical and managerial personnel to manufacture novel biotechnology product in commercial quantities at reasonable costs and in compliance with applicable quality assurance and environmental regulations and governmental permitting requirements.

- Difficulties in obtaining key raw materials and supplies for the manufacture of our product candidates.

- Failure of service providers upon whom we rely to carry out our clinical development programs, such as contract research organizations and third parties who fill and label our clinical supplies, to perform their contractual responsibilities. These failures could lead to delays in our clinical development programs.

- The costs and other effects of legal and administrative cases and proceedings (whether civil, such as product- or employment-related, or environmental, or criminal), settlements, and investigations; developments or assertions by or against us relating to intellectual property rights and licenses; the issuance and use of patents and proprietary technology by us and our competitors, including the possible negative effect on our ability to develop, manufacture, and sell our products in circumstances where we are unable to obtain licenses to patents which may be required for our products.

- Underutilization of our existing or new manufacturing facilities or of any facility expansions, resulting in inefficiencies and higher costs; start-up costs, inefficiencies, delays, and increased depreciation costs in connection with the start of production in new plants and expansions.

- Failure to have sufficient manufacturing capacity to make clinical supplies or commercial product in a timely and cost-competitive manner. Insufficient manufacturing capacity could delay clinical trials or limit commercial sale of marketed products.

- Health care reform, including reductions or changes in reimbursement available for prescription medications or other reforms.

- Difficulties in attracting and retaining key personnel.

As our scientific efforts lead to potentially promising new directions, both outside of recombinant protein therapies and into conditions or diseases outside of our current areas of experience and expertise, we will require additional internal expertise or external collaborations in areas in which we currently do not have substantial resources and personnel.

Other parties could allege to have blocking patents covering any of our product candidates in clinical and/or pre-clinical development. For example, we are aware of certain United States and foreign patents held by third parties relating to particular IL4 and IL13 receptors.

We seek to obtain licenses to patents when, in our judgment, such licenses are needed. If any licenses are required, we may not be able to obtain such licenses on

commercially reasonable terms, if at all. The failure to obtain any such license could prevent us from developing or commercializing one or more of our product candidates, which could severely harm our business.

Defense and enforcement of our intellectual property rights can be expensive and time consuming, even if the outcome is favorable to us. It is possible that patents issued or licensed to us will be successfully challenged, that a court may find that we are infringing validly issued patents of third parties, or that we may have to alter or discontinue the development of our products or pay license fees or royalties to take into account patent rights of third parties.

Item 3. Quantitative and Qualitative Disclosure About Market Risk.

Our earnings and cash flows are subject to fluctuations due to changes in interest rates primarily from our investment of available cash balances in investment grade corporate and U.S. government securities. We do not believe we are materially exposed to changes in interest rates. Under our current policies, we do not use interest rate derivative instruments to manage exposure to interest rate changes.

PART II. OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders

On June 14, 2002, we conducted our Annual Meeting of Shareholders pursuant to due notice. A quorum being present either in person or by proxy, the shareholders voted on the following matters:

1. To elect three Directors to hold office for a three-year term as Class II directors, and until their successors are duly elected and qualified.

2. To approve the selection of PricewaterhouseCoopers LLP as independent accountants for our fiscal year ending December 31, 2002.

3. To approve the amendments to the Company's 2000 Long-Term Incentive Plan to increase the maximum number of shares of common stock reserved for issuance under the plan by 5,000,000 shares plus unissued shares previously approved by shareholders for issuance under the Company's expired 1990 Long-Term Incentive Plan.

No other matters were voted on. The number of votes cast was:

		For	Withheld Authority
1.	Election of Class II Directors		
	Alfred G. Gilman, M.D., Ph.D	61,581,344	258,014
	Joseph L. Goldstein, M.D	61,653,074	186,284
	P. Roy Vagelos, M.D	61,653,074	186,284

The terms of office of Leonard S. Schleifer, M.D., Ph.D., Eric M. Shooter, Ph.D., George L. Sing, Charles A. Baker, Michael S. Brown, M.D., and George D. Yancopoulos, M.D., Ph.D. continued after the meeting.

		For	Against	Abstain
2.	Approval of accountants	61,508,742	323,203	16,413
3.	Approval of amendments to 2000 Long-Term Incentive Plan	37,358,244	9,557,856	36,638

Item 6. Exhibits and Reports On Form 8-K

(a) Exhibits

10.22*	-	Focused Collaboration Agreement, dated as of December 31, 2000, by and between the Company and The Procter & Gamble Company.
10.23*	-	IL1 License Agreement, dated June 26, 2002, by and among the Company, Immunex Corporation, and Amgen Inc.
99.1	-	Certification of CEO and CFO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Portions of this document have been omitted and filed separately with the Commission pursuant to requests for confidential treatment pursuant to Rule 24b-2.

(b) Reports

Form 8-K, filed July 8, 2002: On July 8, 2002, we issued a press release announcing that we entered into an agreement with Amgen Inc. and Immunex Corporation for a non-exclusive license to certain intellectual property rights which may be used in the development and commercialization of the Interleukin-1 (IL1) Trap.

Form 8-K, filed July 11, 2002: On July 11, 2002, we reported that Leonard S. Schleifer, M.D., Ph.D., President and Chief Executive Officer of Regeneron, entered into a trading plan complying with SEC Rule 10b5-1 and our insider trading policy.

Form 8-K, filed July 25, 2002: On July 24, 2002, we issued a press release announcing that we had initiated a dose-ranging Phase II trial to study the safety and efficacy of the Interleukin-1 (IL1) Trap in patients with rheumatoid arthritis. On July 25, 2002, we issued a press release announcing that we had completed enrollment for two studies within our Phase III clinical development program of AXOKINE for the treatment of obesity. These two trials are designed to study maintenance of weight loss following short-term treatment regimens with AXOKINE.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Regeneron Pharmaceuticals, Inc.

Date: August 13, 2002

By: -s- Murray A. Goldberg

Murray A. Goldberg
Senior Vice President, Finance & Administration,
Chief Financial Officer, Treasurer, and
Assistant Secretary

Exhibit 10.22

FOCUSED COLLABORATION AGREEMENT

between

THE PROCTER & GAMBLE COMPANY

and

REGENERON PHARMACEUTICALS, INC.

EXECUTION COPY

FOCUSED COLLABORATION AGREEMENT

FOCUSED COLLABORATION AGREEMENT

Made as of the 31st day of December, 2000, by and among:

The Procter & Gamble Company, an Ohio corporation having its principal offices at One Procter & Gamble Plaza, Cincinnati, Ohio 45202 (hereinafter, together with its Affiliate Procter & Gamble Pharmaceuticals, Inc., "Procter & Gamble" or "P&G"), and

Regeneron Pharmaceuticals, Inc., a New York corporation having its principal office at 777 Old Saw Mill River Road, Tarrytown, New York 10591-6707 (hereinafter, together with its Affiliates, "Regeneron").

The following sets forth the background for this Agreement:

Procter & Gamble conducts research and develops and markets pharmaceutical products for the treatment of a variety of disorders, including without limitation products having utility in the treatment of bone disorders, skeletal muscle disorders, cardiac muscle disorders, arthritis, gastrointestinal disorders, obesity, and antiinfectives.

Regeneron conducts research for the development and commercialization of pharmaceutical products, based on significant expertise in identifying and developing molecular receptor targets and compounds that mediate a variety of disorders. Regeneron has entered into collaborative agreements with third parties for the research, development and commercialization of products regarding several such targets identified by Regeneron. Regeneron is independently pursuing research on other such targets.

Regeneron and Procter & Gamble entered into an agreement on the 11th day of December 1996, establishing a collaborative effort to perform research and develop and market products for the prevention, diagnosis, and treatment of skeletal muscle disorders. Regeneron and Procter & Gamble entered into a subsequent agreement on the 13th day of May, 1997 broadening the scope of their collaboration (as the same has been amended from time to time, the "Multi-Project Collaboration Agreement").

Pursuant to the terms of this Agreement, Procter & Gamble and Regeneron wish to terminate the Multi-Project Collaboration Agreement and enter into this Agreement to pursue research, development and marketing of products based on specific focused areas.

Procter & Gamble and Regeneron intend fully to utilize their capabilities, capitalize on each other's expertise, and put forth Commercially Reasonable Efforts to achieve this objective, and recognize that each party is contributing valuable technologies and capabilities to this effort and that the combination of these compatible and complementary technologies and capabilities creates the basis for a successful collaboration.

Accordingly, the Parties agree to the following terms and conditions:

ARTICLE I - DEFINITIONS

1.1. "Affiliate" means any entity that directly or indirectly Owns, is Owned by, or is under common Ownership with a Party to this Agreement. In no event will Amgen-Regeneron Partners, any legal entity that Regeneron forms with Glaxo that relates to their July 1993 agreement, any legal entity that Regeneron forms with Pharmacopeia, Inc. that relates to their October 1996 agreement, or any legal entity that Regeneron forms with Procter & Gamble that relates to this Agreement be deemed to be an Affiliate of Regeneron under this Agreement. "Owns" or "Ownership" means direct or indirect possession of more than fifty percent (50%) of the votes of holders of a corporation's voting securities or a comparable equity interest in any other type of entity.

1.2. "Agreement" means the present agreement together with all attachments.

1.3. "Agrin" means the compounds claimed in the United States Patent Application Serial Number [********] and any continuations, divisionals or continuation-in-parts thereof, and any molecules representing one or more amino acid substitutions, deletions, or additions derived therefrom.

1.4. "Allowable Product Expense" means Direct Costs incurred by either Party pursuant to an approved Product Plan. Allowable Product Expenses will be recognized in accordance with GAAP.

1.5. "Article" means any article of this Agreement.

1.6. "Commercially Reasonable Efforts" means efforts and resources commonly used in the research-based pharmaceutical industry for a compound or product at a similar stage of research, development or commercialization, and having similar market potential. Commercially Reasonable Efforts shall be determined taking into account the stage of research, development or commercialization of the compound or product, the cost-effectiveness of efforts or resources while optimizing profitability, the competitiveness of alternative products that are or expected to be in the relevant marketplace, the proprietary position of the product, the regulatory and business environment, the likelihood of regulatory approval and product reimbursement, the profitability of the product, the existence of alternative products that may also be developed by the Parties, and all other relevant factors. Commercially Reasonable Efforts shall be determined on a compound-by-compound and market-by-market basis, and it is anticipated that the level of effort will

change over time reflecting changes in the status of the compound, product and the market involved.

1.7. "Competing Product" means any compound, product, method or system that is indicated for the same disease state and has the same mechanism of action as a Development Compound or Marketed Compound that is actively being developed or marketed. Competing Product shall not include Excluded Technology.

1.8. "Compound" means a chemical entity, which is not Excluded Technology, with research or commercial utility in the Field for methods of research, diagnosis, treatment or prevention of any disease or disorder in humans or animals, and which

(a) is conceived and/or reduced to practice by Regeneron, or acquired by Regeneron from a Third Party with the right to sublicense, before or during the Research Term; or

(b) is conceived and/or reduced to practice by Procter & Gamble, or acquired by Procter & Gamble from a Third Party with the right to sublicense, prior to or during the Research Term.

Compound includes Research Compounds, Development Compounds and Marketed Compounds that may be useful in the Field for methods of research, diagnosis, treatment or prevention of any disease or disorder in humans or animals. Each Compound shall also be deemed to include all indications, formulations, line extensions, or modes of administration thereof.

1.9 "Development Committee" or "DC" means the committee established pursuant to Section 2.5(c).

1.10 "Development Compound" means a Compound that has been demonstrated to meet Success Criteria as ready to begin regulated safety studies and development of clinical supplies whether or not it has been designated by the Operations Committee for further development pursuant to Section 3.3. The terms Development Compound and Lead Compound may be used interchangeably.

1.11. "Direct Costs" means costs, of a nature, amount, and method of calculation approved by the Operations Committee via the Research Collaboration Plan and/or Product Plan, that are incurred by either Party, based upon efforts, funds and/or resources expended to perform its obligations under such plan. Direct Costs may include costs associated with activities performed by a Party, or by a Third Party under an appropriate

agreement pursuant to Section 2.9, for the research, development or marketing of Compounds. Direct Costs shall not include any mark-up or profit above actual costs.

1.12 "DDR Field" means the discovery, development, supply and commercialization of products or processes that modulate the function of the receptor tyrosine kinases DDR1 and/or DDR2 (or any receptor having at least seventy-five percent (75%) homology with DDR1 or DDR2) whose biological action is primarily due to this modulation.

1.13. "Effective Date" means the date described in Section 10.1(a).

1.14. "Excluded Technology" means any invention, trade secret or other information, whether tangible or intangible, whether or not patentable, that is:

(a) conceived or reduced to practice by Regeneron, or acquired from a Third Party, or Procter & Gamble, by Regeneron before or during the Term insofar as such invention, trade secret or other information is not in the Field, including, without limitation, the subject matter listed in Attachment 1.14(a), (collectively, the "Regeneron Excluded Technology"). Without limiting the foregoing, Regeneron Excluded Technology shall include any compound, product, method, system, Know-how or Patent licensed by Regeneron to Procter & Gamble pursuant to the Multi-Project Collaboration Agreement and not within the Field, any Procter & Gamble Retained Project, or any Mutual Retained Project; or

(b) conceived or reduced to practice by Procter & Gamble, or acquired by Procter & Gamble from a Third Party, or Regeneron, before or during the Term insofar as such invention, trade secret and other information (i) is not in the Field, (ii) are small molecule Research Compounds that have not met Success Criteria, or (iii) is part of [**********] ("Procter & Gamble Excluded Technology"). Without limiting the foregoing, Procter & Gamble Excluded Technology shall include any compound, product, method, system, Know-how or Patent licensed by Procter & Gamble to Regeneron pursuant to the Multi-Project Collaboration Agreement and not within the Field, any Regeneron Retained Project, or any Mutual Retained Project. Notwithstanding the foregoing, Procter & Gamble Excluded Technology shall not include any compound, product, method or system which is in human clinical development or Marketed and is acquired by Procter & Gamble from a Third Party which, at the time of acquisition is indicated for the same disease state and is known to have the same mechanism of action as a Development Compound or Marketed Compound; or

(c) conceived or reduced to practice under the Multi-Project Collaboration Agreement prior to December 31, 2000 in connection with a Retained Project, and is not in the Field; or

(d) conceived or reduced to practice by a Party after December 31, 2000 in connection with a Retained Project and is not in the Field.

1.15 "Field" means the collective areas in which the Parties shall collaborate encompassing the discovery, development, supply and commercialization of products or processes in the Muscle Field, the GPCR Field or the DDR Field.

1.16. "Fiscal Quarter" means each period of three (3) months ending on 31 March or 30 June or 30 September or 31 December.

1.17. "Fiscal Year" means the twelve (12) month period of time from July 1 to June 30, except that the first Fiscal Year commences on the Effective Date and ends on June 30, 2001 and the last Fiscal Year during the Research Term shall end on the last day of the Research Term.

1.18. "FTE" or "Full Time Equivalent" means one Effort Year of an employee or class of employees. "Effort Year" means [**********] hours of direct effort expended on approved activities during a Fiscal Year.

1.19. "GAAP" means generally accepted accounting principles.

1.20. "GPCR" means a G-protein coupled receptor.

1.21 "GPCR Field" means the discovery, development, supply and commercialization of products or processes that directly bind and/or modulate the function of the twelve GPCRs as set forth in Attachment 1.21, as the same may be modified pursuant to Section 2.4(e).

1.22 "Health Registration" means any and all consents, licenses, authorizations, reimbursement pricing or approvals required by the U.S. Food and Drug Administration or any Ministry of Health for the distribution, sale, manufacture, or testing of a pharmaceutical product, including, without limitation, an IND, NDA or supplemental NDA or other application or supplemental application for a Health Registration.

1.23. "IND" means an Investigational New Drug application, as described by the U.S. Food, Drug and Cosmetics Act of 1938, 21 U.S.C. 301 et seq., as amended, and associated regulations.

1.24. "Inventions" or "Technology" mean all inventions, trade secrets and other information, whether tangible or intangible, whether or not patentable, resulting from work by the parties (either individually or jointly) in the Field during the Research Term.

1.25 "Joint Projects" mean the research projects undertaken by the parties pursuant to the Multi-Project Collaboration Agreement and identified in Attachment 2.2 as "Joint Projects".

1.26. "J-V" means such collaborative relationship as may be established pursuant to Section 3.7 of this Agreement. J-V may or may not be structured as a separate legal entity, such as a corporation, partnership, LLC, or such other form as the Parties may agree. In agreeing on the form of the collaborative relationship, the Parties shall take appropriate account of, among other factors, ease of administration and tax liabilities.

1.27. "Know-how" means the entire right, title and interest in trade secret technology. "P&G Know-how" shall mean the entire right, title and interest in Know-how owned solely or jointly by Procter & Gamble with a Third Party. "Regeneron Know-how" shall mean the entire right, title and interest in Know-how owned solely or jointly by Regeneron with a Third Party. "Joint Know-how" shall mean the entire right, title and interest in Know-how jointly owned by the Parties pursuant to Section 5.1(b).

1.28. "Lead Compound" means a Research Compound that has been demonstrated to meet Success Criteria as ready to begin regulated safety studies and development of clinical supplies pursuant to Section 3.3 during the Research Term or Tail Period. The terms Development Compound and Lead Compound may be used interchangeably.

1.29. "Major Country" means the United States, United Kingdom, Belgium, Germany, France, Italy, Netherlands and Canada.

1.30. "Major Decision" means the following decisions to be made by the Operations Committee:

(a) Approval of all long-range strategic plans developed pursuant to this Agreement, including without limitation the Research Collaboration Plan and Product Plans;

(b) Disposition of any interest in any type of intellectual property in which the Parties have rights under this Agreement (other than routine copyright transfers incident to publications made pursuant to Section 8.3), including without limitation any license, assignment, or registration of any Patent, trademark or Know-how;

(c) Determination of whether a Research Compound has met the Success Criteria for further development;

(d) Expenditure of any funds, or incurrence of any obligation, in excess of [**********] for the acquisition of a particular piece of property (including without limitation real or intellectual property), equipment or service regarding work under this Agreement, unless such expenditure or obligation is explicitly authorized in a Research Project Plan or a Product approved by the Operations Committee;

(e) Expenditure of any funds, or incurrence of any obligation, regarding any budget item that cannot be resolved by the Program Committee or by the Development Committee;

(f) Initiation or settlement of any lawsuits by or against the Parties (except against each other) in connection with this Agreement, subject to Section 9.3;

(g) Acceptance of contracts outside the ordinary course of business of the collaboration as described in Section 2.7 and any contracts with either Party or its Affiliates or any contracts pertaining to the collaboration in which a Party has a beneficial interest;

(h) Selection of any trademark regarding a Development Compound or Marketed Compound; and

(i) Initiation of any recalls of Marketed Compounds.

1.31. "Marketed Compound" means a Compound which is sold pursuant to this Agreement in any country in the Territory.

1.32. "Muscle Field" means the discovery, development, supply and/or commercialization of products (except MuSK and/or Agrin) or processes that diagnose, prevent and/or treat conditions in humans and animals associated with the promotion or

protection of skeletal muscle mass or function (including, without limitation, the diagnosis, treatment or prevention of muscle atrophy or sarcopenia).

1.33. "Mutual Retained Projects" means the research projects undertaken by the parties pursuant to the Multi-Project Collaboration Agreement and identified in Attachment 2.2 as "Mutual Retained Projects."

1.34 "MuSK" means the materials disclosed in [**********] of the United States Patent Application Serial Number [*********] and any molecules representing one or more amino acid substitutions, deletions, or additions derived therefrom which exhibit a biological activity substantially identical to the materials disclosed in [*************] of the United States Patent Application Serial Number [**********]

1.35 "NDA" means a New Drug Application or Biologics License Application as described by the U.S. Food, Drug and Cosmetics Act of 1938, 21 U.S.C. 301 et seq., as amended, and associated regulations, or the U.S. Public Health Service Act, 42 U.S.C. 201 et seq., as amended and associated regulations.

1.36. "Net Sales" means total gross realization less:
[**********]

1.37. "Operations Committee" or "OC" means the committee described in Section 2.5(a).

1.38. "Opting Out Party" means the Party that Opts Out of those development and/or marketing activities with respect to a Compound as specified in Sections 3.4(b), 3.6, and 10.3(a). "Opts Out" means that the Opting Out Party either decides not to continue with such activities or does not fund its share of Allowable Product Expenses with respect to such activities.

1.39. "Party" means Regeneron or Procter & Gamble.

1.40. "Patent" means the entire right, title and interest in a Valid Claim in a patent application, and all continuing and divisional patent applications, continuations-in-part, reissue applications and all other related patent applications claiming priority, indirectly and directly, to such application, and all patents issuing therefrom, worldwide.

"P&G Patent Rights" shall mean the entire right, title and interest in a Patent owned solely by Procter & Gamble or jointly by Procter & Gamble with a Third Party. "Regeneron Patent Rights" shall mean the entire right, title and interest in a Patent owned solely by Regeneron or jointly by Regeneron with a Third Party. "Joint Patent Rights" shall mean the entire right, title and interest in a Patent jointly owned by Regeneron and Procter & Gamble.

1.41. "Proceeding Party" means the Party that is not an Opting Out Party with respect to the development or marketing of a Compound either in the entire Territory or in one or more specific countries therein.

1.42. "Procter & Gamble Inventions" shall mean the entire right, title and interest in Inventions owned solely or jointly by Procter & Gamble with a Third Party. "Regeneron Inventions" shall mean the entire right, title and interest in Inventions owned solely or jointly by Regeneron with a Third Party. "Joint Inventions" shall mean the entire right, title and interest in Inventions jointly owned by the Parties.

1.43 "Procter & Gamble Retained Projects" means the research projects undertaken by the Parties pursuant to the Multi-Project Collaboration Agreement and identified in Attachment 2.2(c) as "Procter & Gamble Retained Projects".

1.44. "Procter & Gamble Technology" means any invention, Know-how or other information, whether tangible or intangible, whether or not patentable, in the Field, and which:

(a) is not Procter & Gamble Excluded Technology, and

(b) is conceived or reduced to practice by Procter & Gamble or acquired or licensed by Procter & Gamble from a Third Party with the right to sublicense,

(i) before or during the Research Term; or

(ii) after the Research Term, but during the term of a J-V, regarding a Development Compound or Marketed Compound.

Procter & Gamble Technology may include, without limitation, research methods and materials (including without limitation genetic materials, receptors, cell lines and transgenic animals) useful in performing research, Lead Compounds, formulations, chemical synthesis and manufacturing processes, methods of diagnosis and methods of treatment.

1.45. "Product Plan" means the annual compilation of objectives, activities, resource allocations, Success Criteria, Allowable Product Expenses and budgets regarding the development and/or marketing of Development Compounds and/or Marketed Compounds agreed to by the OC, as more thoroughly described in Section 3.3(b).

1.46. "Program Committee" or "PC" means the committee established pursuant to Section 2.5(b).

1.47. "Regeneron Retained Projects" means all research projects undertaken by the Parties pursuant to the Multi-Project Collaboration Agreement other than the Procter & Gamble Retained Projects, the Mutual Retained Projects, and the Joint Projects, including, by way of example, but not limitation, the specific projects identified in Attachment 2.2(c) as "Regeneron Retained Projects".

1.48. "Regeneron Technology" means any invention, Know-how or other information, whether tangible or intangible, whether or not patentable in the Field, and which:

(a) is not Regeneron Excluded Technology, and

(b) is conceived or reduced to practice by Regeneron or acquired or licensed by Regeneron from a Third Party with the right to sublicense,

(i) before or during the Research Term; or

(ii) after the Research Term, but during the term of a J-V, regarding a Development Compound or Marketed Compound.

Regeneron Technology may include, without limitation, research methods and materials (including without limitation genetic materials, receptors, cell lines and transgenic animals) useful in performing research, Targets, Compounds, formulations, chemical synthesis and manufacturing processes, methods of diagnosis and methods of treatment.

1.49. "Research Collaboration Plan" means, on a Fiscal Year basis, the compilation of objectives, prioritization of Research Projects and work on new areas of research, Success Criteria and overall budget for work by the Parties during the Research Term, but not including development and/or marketing activities.

1.50. "Research Compound" means a Compound that has not yet met the Success Criteria.

1.51. "Research Project" shall mean research conducted by the Parties for the purpose of identifying, optimizing, and testing a specific Target, Validated Target and/or Research Compound.

1.52. "Research Project Plan" shall mean, on a Fiscal Year basis, the compilation of activities, milestones, budget, and Success Criteria relating to a Research Project.

1.53. "Research Term" means the period of time beginning on the Effective Date and unless terminated earlier pursuant to 10.3, ending December 31, 2005.

1.54. "Retained Projects" means the Mutual Retained Projects, Procter & Gamble Retained Projects, and Regeneron Retained Projects.

1.55. "Royalty Term" means the period from the first Net Sales in the first country to the final payment of royalties in the last country pursuant to Section 6.1.

1.56. "Section" means any section of this Agreement.

1.57. "Securities Agreements" mean the following agreements between the parties: the Registration Rights Agreement, the Securities Purchase Agreement and the Warrant Agreement, all dated May 13, 1997, as each may be amended, supplemented or modified from time to time and the Stock Purchase Agreement and Registration Rights Agreement both dated December 11, 1996, as each may be amended, supplemented or modified from time to time.

1.58. "Success Criteria" means the specific criteria set forth in a Research Project Plan and Research Collaboration Plan and approved by the OC that define the minimum technical and commercial requirements for a Research Compound to be designated a Development or Lead Compound.

1.59. "Sumitomo Compound" means any Compound which:

(a) is claimed by a Regeneron Patent;

(b) is owned by Regeneron prior to the Effective Date, or conceived and solely reduced to practice solely by Regeneron during the Research Term; and

(c) Sumitomo Chemical Company Limited or its affiliates exercise rights pursuant to its Technology Development Agreement with Regeneron executed in March 1989 (hereinafter the "Sumitomo Agreement).

1.60. "Tail Period" means the [**********] immediately after the end of the Research Term.

1.61. "Target" means any gene, receptor, ligand, or other compound which has actual or potential utility in the Field for the identification, research or commercialization of Compounds for the prevention, diagnosis, or treatment of diseases or other disorders in humans or animals.

1.62. "Term" means the period of time specified in Section 10.1(b).

1.63. "Territory" means the entire world, excluding Japan with respect to any Sumitomo Compound. Japan shall be included in the Territory except for Sumitomo Compounds.

1.64. "Third Party" means any entity other than Regeneron or Procter & Gamble or their Affiliates or a J-V established in accordance with this Agreement.

1.65. "Valid Claim" shall mean any claim in a published and unexpired application or patent included within a Patent which claim has not been held unenforceable, unpatentable or invalid by a decision of a court or other governmental agency of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, and which has not been finally abandoned or admitted to be invalid or unenforceable through disclaimer.

1.66. "Validated Target" means a Target which has been shown to meet all of the following criteria approved by the PC: (a) the Target is well characterized (i.e., its biochemical and physiological actions are reasonably well understood); (b) agents, ligands, or intracellular molecules that interact with the Target demonstrate a desired effect on a biological process in relationship to a disease state or disorder; and (c) the Target is shown to be present in human tissue with the disease state or condition.

ARTICLE II - TERMINATION OF THE MULTI-PROJECT COLLABORATION AGREEMENT AND OVERVIEW AND MANAGEMENT OF COLLABORATION

2.1 TERMINATION OF THE MULTI-PROJECT COLLABORATION AGREEMENT. Subject to the terms of Section 2.3, the Multi-Project Collaboration Agreement is hereby terminated on the Effective Date and superseded by the terms of this Agreement. Notwithstanding anything to the contrary in the Multi-Project Collaboration Agreement, no license granted in Article V of the Multi-Project Collaboration Agreement shall extend beyond the Effective Date.

2.2 RIGHTS TO REGENERON RETAINED PROJECT, PROCTER & GAMBLE RETAINED PROJECT, AND MUTUAL RETAINED PROJECT UPON TERMINATION OF THE MULTI-PROJECT COLLABORATION AGREEMENT. Patents and Know-how regarding all inventions, trade secrets and other information, whether tangible or intangible, whether or not patentable, resulting from work by the Parties during the Research Term of the Multi-Project Collaboration Agreement were owned: (i) by P&G, if such technology was conceived and reduced to practice solely by employees of P&G; and (ii) jointly, if such technology was conceived and/or reduced to practice either solely by employees of Regeneron or jointly by employees of Procter & Gamble and Regeneron. Contrary to the Multi-Project Collaboration Agreement, Regeneron shall own all Inventions discovered by employees of Regeneron as part of any Regeneron Retained Project and having no utility in the Field as of the Effective Date. The Parties shall grant the following licenses to the Retained Projects identified in Attachment 2.2(c) upon the Effective Date of this Agreement:

(a) Subject to the terms of subsection (g) below, Procter & Gamble hereby grants Regeneron an Exclusive License under its Patents and Know-how whether solely owned by Procter & Gamble or jointly owned with Regeneron which were conceived and reduced to practice in connection with any Regeneron Retained Project at any time through December 31, 2000 and as of December 31, 2000 have no known use in the Field or in any Procter & Gamble Retained Project to make, have made, use, import, offer for sale and sell any products for the prevention, diagnosis, or treatment of any diseases or disorders in humans or animals in connection with any Regeneron Retained Project. Procter & Gamble hereby grants Regeneron a Non-Exclusive License under its Patents and Know-how which were conceived and reduced to practice in connection with any Regeneron Retained Project at any time through December 31, 2000 and as of December 31, 2000 have known use in the Field or in any Procter & Gamble Retained Project, to make, have made, use, import, offer for sale and sell any products for the prevention, diagnosis, or treatment of any disease or disorder in humans or animals in connection with any Regeneron Retained Project.

(b) Regeneron hereby grants to Procter & Gamble an Exclusive License under its Patents and Know-how whether solely owned by Regeneron or jointly owned with Procter & Gamble which were conceived and reduced to practice in connection with any Procter & Gamble Retained Project at any time through December 31, 2000 and as of December 31, 2000 have no known use in the Field or in any Regeneron Retained Project, to make, have made, use, import, offer for sale and sell any products for the prevention, diagnosis, or treatment of any disease or disorder in humans or animals. Regeneron hereby grants to Procter & Gamble a Non-Exclusive License under its Patents and Know-how which were conceived and reduced to practice in connection with any Procter & Gamble Retained Project at any time through December 31, 2000 and as of December 31, 2000 have known use in the Field or in any Regeneron Retained Project, to make, have made, use, import, offer for sale and sell any products for the prevention, diagnosis, or treatment of any disease or disorder in humans or animals in connection with any Procter & Gamble Retained Project. Further, Regeneron shall grant Procter & Gamble a non-exclusive, royalty-free license under Regeneron Know-how and Regeneron Patents, without the right to sublicense, to make, have made, and use Compounds (as defined in the Multi-Project Collaboration Agreement) identified prior to the Research Term of the Multi-Project Collaboration Agreement, other than MuSK or Agrin, for research utility for the purpose of discovering, developing and/or commercializing other Compounds in the Procter & Gamble Retained Project. This non-exclusive license does not include the right to commercialize, i.e., have sold or sell, these identified Compounds (as defined in the Multi-Project Collaboration Agreement), under Regeneron Know-how and Regeneron Patents.

(c) Regeneron grants Procter & Gamble a Non-Exclusive License under its Patents and Know-how conceived and reduced to practice in connection with any Mutual Retained Project at any time through December 31, 2000, to make, have made, use, import, offer for sale and sell any products for the prevention, diagnosis, or treatment of any disease or disorder in humans or animals. Further, Regeneron shall grant Procter & Gamble a non-exclusive, royalty-free license under Regeneron Know-how and Regeneron Patents, without the right to sublicense, to make, have made, and use Compounds (as defined in the Multi-Project Collaboration Agreement), identified prior to the Research Term of the Multi-Project Collaboration Agreement, other than MuSK or Agrin, for research utility for the purpose of discovering, developing and/or commercializing other Compounds in the Mutual Retained Project. This non-exclusive license does not include the right to [********** ********** ********** **********] under Regeneron Know-how and Regeneron Patents.

(d) Subject to subsection (g) below, Procter & Gamble grants Regeneron a Non-Exclusive License under its Patents and Know-how conceived and reduced to practice in

connection with any Mutual Retained Project at any time through December 31, 2000, to make, have made, use, import, offer for sale and sell any products for the prevention, diagnosis, or treatment of any disease or disorder in humans or animals.

(e) The Parties agree that through December 31, 2000, they will provide research support and otherwise cooperate with one another to effect the orderly transfer of information, rights, and licenses, including Know-how and Patents, for all Retained Projects as set forth in subsections (b), (c) and (d) above. Each Party shall grant the other a non-exclusive license (without any right to sublicense) under its respective Patents and Know-how solely with respect to these support and transfer activities. Furthermore, at any time or from time to time after the Effective Date, at either Party's request, one Party shall execute and deliver to the other Party such other instruments of transfer, conveyance, assignment and confirmation and take such other actions as may be reasonably requested in order to more effectively transfer, convey and assign title to the respective Know-how and Patents licensed pursuant to subsections (b), (c) and (d) above.

(f) For purposes of this Section 2.2, (i) the term "Exclusive License" shall mean a [**********]; (ii) the term "Non-Exclusive License" shall mean a [**********;] and (iii) the term non-exclusive license shall have the meaning set forth hereinabove.

(g) The Parties agree that for purposes of Section 2.2(a) above, the only small molecules, proteins and peptides covered by the Exclusive License and Non-Exclusive Licenses are set forth in Attachment 2.2(g)(i) hereof. Furthermore, the Parties agree that for purposes of Section 2.2(d) above, the only small molecules, proteins and peptides covered by the Non-Exclusive License are set forth in Attachment 2.2(g)(ii) hereof. However, Regeneron may use the small molecules, proteins and peptides listed in Attachment 2.2(g)(i) and 2.2(g)(ii) for additional research utility for the purpose of discovering, developing and/or commercializing other small molecules, proteins and peptides(including derivatives). Should any of these other small molecules, proteins and/or peptides fall within Procter and Gamble Patents or Know-how conceived and/or reduced to practice prior to December 31, 2000, Procter and Gamble agrees that it shall never, anywhere in the world, institute any action or suit at law or in equity, or aid in the prosecution of any such claim, against Regeneron or any of its licensees, sublicensees, suppliers, distributors, collaborators or agents ("Regeneron Licensees") alleging infringement of any such Procter & Gamble Patents or Know-how. Procter & Gamble further covenants and agrees that in the event Procter & Gamble grants or transfers any rights under any such Procter & Gamble Patents and Know-how to any third party, such grant or transfer of rights shall be only upon the condition that such third party agrees, in

writing, to grant Regeneron and the Regeneron Licensees immunity from suit as set forth in this Section 2.2(g). The Parties agree that notwithstanding the Exclusive License granted to Regeneron pursuant to Section 2.2(a) above, P&G shall retain the non-exclusive right to use the Compounds identified in Attachment 2.2(g)(i) hereof for research purposes outside the Regeneron Exclusive Project to which they pertain (the "Section 2.2(g) Fields"). For clarity, P&G's retained non-exclusive research right described above does not include the right to commercialize, i.e. have sold or sell, the small molecules, proteins, and peptides in Attachment 2.2(g)(i) for use in the applicable Section 2.2(g) Field.

(h) The Parties agree that Procter & Gamble does not grant any rights to the small molecules in the [**********] (other than those Compounds in the Muscle Field or DDR Field). However, should Procter & Gamble advance any such small molecule [**********] to the equivalent of a Lead Compound [**********] by June 30, 2002, Procter & Gamble shall notify Regeneron of such [**********]. The Parties shall meet within thirty (30) days of notification to agree on a Product Plan or other disposition (e.g., license to a Party or Third Party) of such [**********]. The [**********] will be subject to the terms and conditions of this Agreement as a Lead Compound in the Field. All funding for the [**********] prior to notification to Regeneron shall be borne by Procter & Gamble.

2.3. WAIVER OF RIGHTS. Notwithstanding anything to the contrary in any of the Securities Agreements, in consideration of the terms and conditions of this Agreement, each party hereby unconditionally waives any rights or remedies under any of the Securities Agreements, or otherwise available under contract law, arising from the agreed upon termination of the Multi-Project Agreement. Furthermore, the Parties agree that solely for purposes of the Securities Agreements, the Multi-Project Agreement and the Collaboration Agreement, dated as of December 11, 1996, between the Parties shall be considered superseded, but not terminated, by this Agreement.

2.4. SCOPE OF COLLABORATION.

(a) The Parties will work together to research, develop and commercialize Lead Compounds pursuant to this Agreement in the Territory. All such work shall be conducted pursuant to a Research Collaboration Plan and Product Plans established by the OC pursuant to Article III. The Parties shall use Commercially Reasonable Efforts in performing their obligations under this Agreement.

(b) Work under this Agreement will include work only in the Muscle Field, the GPCR Field and the DDR Field.

(c) Subject to the provisions of a Research Project Plan or Research Collaboration Plan, the primary responsibilities for the activities shall be established and agreed to in the Research Project Plan.

(d) The Parties will also work together to develop and market Development Compounds and Marketed Compounds in the Territory in accordance with Product Plans.

(e) If, at any time during the Research Term, the PC decides to discontinue research on a GPCR and remove it from the GPCR Field, Regeneron shall own all rights to the specific GPCR (a "Returned GPCR"), including all Patents and Know-how specifically relating to the Returned GPCR conceived or reduced to practice before or during the Research Term. A GPCR will be removed from the GPCR Field if it is not subject to any active or future planned research activities under the Research Project Plan and Regeneron provides information to the PC of the GPCR's potential utility in a therapeutic area outside of P&G's fields of interest. The Returned GPCR(s) shall be considered outside the GPCR Field and may be progressed by Regeneron independently or with a Third Party subject to the terms of this Agreement. For a Returned GPCR that Regeneron progresses either independently or with a Third Party, the following royalty shall be paid to Procter & Gamble:

(1) [**********] for any Returned GPCR progressed under the Agreement wherein a transgenic (knock-in or knock-out) has been created pursuant to the Research Project Plan; or

(2) [**********] for any Returned GPCR progressed under the Agreement wherein an antagonist or agonist (biological or small molecule) is commercialized which has been identified prior to the date the GPCR is returned.

(f) Regeneron shall have the right to develop any GPCR outside the GPCR Field on its own or with any third parties. However, should Regeneron during the Research Term of this Agreement discover that a GPCR has utility in the Muscle Field, the GPCR will be subject to the terms and conditions of this Agreement. For the avoidance of doubt, if the GPCR in question is owned or controlled, in whole, or in part, by a Third Party collaborator of Regeneron, Regeneron shall discontinue further development of the GPCR in the Muscle Field. In addition, if Regeneron independently develops a GPCR outside the GPCR Field to the pre-clinical stage (i.e. equivalent to Success Criteria for Research Compounds) and to the extent Regeneron wishes to partner said GPCR, P&G will have the right of first negotiation to be the development partner for said GPCR at any time prior to the initiation of the IND process (subject to the terms of Section 5.4(c)).

2.5. COMMITTEE MEMBERSHIP.

(a) OC Membership. The work under this Agreement, as set forth in Section 2.4, shall be performed by the Parties pursuant to the oversight of the OC. The OC has overall responsibility for the collaboration. The OC may delegate its responsibilities to other committees (e.g., to a Program Committee as established pursuant to Section 2.5(b), to a Development Committee as established pursuant to section 2.5(c) or to a Patent Committee, Research Committee, Finance Committee, Clinical Committee or such other committees as the OC may establish); however, the OC may not delegate Major Decisions. The OC will initially consist of two (2) members with one (1) member designated by each Party. The initial members are listed on Attachment 2.5(a). A chairperson of the OC will be nominated alternately by Procter & Gamble and Regeneron to twelve (12) month terms. The Parties will be free to change their respective representatives, on notice to the other Party. The OC will exist until the earlier of termination or expiration of this Agreement or when one Party is an Opting Out Party with respect to all Compounds in all countries, unless the Parties otherwise agree.

(b) PC Membership. A Program Committee is also hereby established and shall work pursuant to the oversight of the OC. The PC shall develop and propose the Research Collaboration Plan, as well as a plan for any other Major Decisions, for the OC's review and approval. Upon the OC's approval of such Research Collaboration Plan or Major Decision, the PC is responsible for managing such matters and reporting to the OC on a regular basis. The PC shall also develop and propose the Research Project Plans. The membership of the PC shall consist of six (6) members, with three (3) members designated by each Party. The method for the nomination of the chairperson of the PC shall be the same as that for the OC as described in Section 2.5(a). The initial members of the PC are listed on Attachment 2.5(b).

(c) Development Committee. The Parties shall establish a Development Committee composed of representatives of both Parties which shall be responsible for managing work on each Development Compound pursuant to the Product Plan for such Development Compound and subject to the oversight of the OC. The Development Committee shall draft the Product Plan and annual updates to the Product Plan for each Development Compound and submit such drafts as well as a plan for any Major Decisions concerning such Development Compound to the OC for approval. Upon the OC's approval of a Product Plan or Major Decision for a particular Development Compound, the DC is responsible for managing such matters and reporting to the OC on a regular basis. The DC may delegate responsibility for the day-to-day management of a particular Development Compound to a sub-team comprised of members from both Parties. The membership of the DC shall be as agreed by the Parties, and shall consist of an equal

number of representatives from each Party. The initial members of the DC are listed on Attachment 2.5(c).

2.6. MEETINGS. The OC will meet at least one (1) time per Fiscal Year and the PC will meet at least four (4) times per Fiscal Year, and either or both committees may meet at additional times as the Parties shall agree. The DC shall meet at such times as the Parties shall agree. Either Party may call a special meeting of the OC up to two (2) times per Fiscal Year, on fifteen (15) days' written notice to the other Party. Additionally, the OC shall meet within twenty (20) business days of the PC's or DC's request to approve any Major Decisions. The chairperson shall send to all OC or PC members (as the case may be) notices of all regular meetings and agendas for such meetings. The Party convening a special meeting shall send notices and agenda for such meeting. Meetings will alternate between the offices of the Parties, or may be held via teleconference, videoconference or such other place or manner as the Parties may mutually agree. Members of the OC, PC and DC shall be empowered to make decisions within the scope of their respective committee responsibilities and shall have the right to participate in and vote at meetings in person, by telephone, by videoconference or by proxy. The Party hosting any meeting shall appoint a secretary to the meeting who will record the minutes of the meeting which will be circulated to the members of the OC, PC or DC (as the case may be) promptly following the meeting for review, comment, and adoption.

2.7. DECISION-MAKING CRITERIA. All decisions of the OC, PC and DC shall be made by majority vote and in the exercise of good faith. Such decisions shall adhere to the ethical and legal standards for the research-based pharmaceutical industry and utilize Commercially Reasonable Efforts to research, develop, and commercialize Compounds in the Field.

Notwithstanding the foregoing regarding a majority vote, Procter & Gamble shall have the tie-breaking vote in the OC and PC with respect to: (i) any strategic and/or funding/budgeting issues with respect to the Research Collaboration Plan where Procter & Gamble determines in good faith that there is the likelihood that Targets proposed by Regeneron may become Excluded Technology as defined in Section 1.14, (ii) any Third Party costs which are the responsibility of Procter & Gamble pursuant to Section 3.2 and (iii) decisions made pursuant to Section 4.1. Regeneron shall have the tie-breaking vote in the OC and PC with respect to allocating Regeneron research FTEs within the scope of an approved Research Collaboration Plan.

2.8. DISPUTE RESOLUTION. Subject to Section 2.7, if a decision cannot be achieved by the PC or DC, the matter shall be referred to further review and resolution by the OC. If the OC cannot resolve the matter within thirty (30) days, the OC shall refer the matter to the Chairman or CEO of Regeneron and the President of Procter & Gamble Pharmaceuticals (the "CEOs"), if both CEOs were not voting members of the OC. If the CEOs (or the OC, if the CEOs are both voting members) cannot resolve the issue within thirty (30) days, the CEOs shall mutually agree upon and appoint to the OC a "Temporary Member." "Temporary Member" means a person who is knowledgeable in the research based pharmaceutical industry, possessing senior executive experience and skills and not associated with either Party or a competitor of either Party. If the CEOs cannot mutually agree on the identity of such Temporary Member within fifteen (15) days of the end of such thirty (30) day period, the Parties shall request an arbitral panel composed in accordance with Section 11.4, sitting in Boston, Mass., to, and such panel shall, appoint to the OC a Temporary Member. The OC shall meet and resolve the dispute within one week of such appointment of the Temporary Member. All decisions with respect to the issue in dispute shall be made by majority vote of the OC. Such Temporary Member shall be appointed to the OC until such time as the CEOs mutually agree that the dispute or disputes have been resolved or until one Party is deemed to be an Opting Out Party with respect to such Compound (and country, if applicable) at issue, whichever is earlier. Such Temporary Member shall be instructed to render his or her votes consistent with the stated decision-making criteria of the OC, as set forth in Section 2.7. The Parties shall share equally in all costs associated with the appointment of the Temporary Member. Notwithstanding the foregoing, any disputes, with respect to approving (or not approving) a Research Collaboration Plan or negotiating a J-V Agreement shall be resolved by the Temporary Member voting for one Party's proposed Research Collaboration Plan or J-V Agreement, as the case may be.

2.9. CONDUCT OF WORK BY OTHERS. It is understood that each Party has entered into this Agreement based on the specific experience and skill of the other Party. Accordingly, it is anticipated that work under this Agreement will be conducted primarily by the Parties. However, it may be commercially reasonable for the Parties to enter into agreements with commercial or non-commercial Third Parties to acquire technology or conduct certain aspects of such work (e.g., because the Third Party's work provides a favorable cost/benefit vs. utilizing internal resources). Such agreements may include (without limitation), acquisition of research methods, Compounds or intellectual property rights (if applicable), consultation, conduct of certain research tests, chemical synthesis and supply, safety testing, clinical testing, and marketing support. All such work by or

acquisition from Third Parties shall be conducted pursuant to the Research Collaboration Plan and/or Product Plan and shall be performed pursuant to written agreements embodying confidentiality, intellectual property rights and other terms consistent with the terms set forth in this Agreement. To the extent commercially reasonable, the commercial or non-commercial Third Parties will be obligated to assign or exclusively license any patents, patent applications or know-how under terms that are mutually agreeable to the Parties. Information obtained by a Party from any Third Party shall be subject to Article VIII of this Agreement. All technology obtained from a Third Party pursuant to this Section 2.9 shall be, to the extent possible under commercially reasonable terms, jointly owned by the Parties and shall be subject to Articles V and VII.

2.10. RECORD-KEEPING. All committees shall appoint one Party to keep complete and accurate records pertaining to the Parties' activities hereunder. The other Party shall have the right to review such records upon reasonable notice to the recordkeeping party and at reasonable times. Such records are subject to audit by the other Party pursuant to Section 6.5 within a reasonable period after the end of the Fiscal Year. In addition, the recordkeeping party shall prepare quarterly unaudited financials pertaining to such activities, which shall be distributed to the Parties within thirty (30) days of the end of such period.

2.11. NON-COMPETE.

(a) During the Research Term, neither Party will, independently of the other, perform research in the Field.

(b) During the Research Term and for five (5) years thereafter, neither Party may directly or indirectly develop, including without limitation the performance of clinical trials, or commercialize a Competing Product in the Territory.

(c) Notwithstanding anything to the contrary contained in this Agreement, the Parties agree that Excluded Technology is not included within the scope of this Agreement. In particular, nothing in this Agreement shall prohibit either Party from performing research, developing or marketing compounds or products using its own Excluded Technology

2.12. BOARD REPRESENTATION. Regeneron will uses its best efforts to put a person representing Procter & Gamble (a "P&G Director") on Regeneron's Board of Directors sixty (60) days after Regeneron receives written notice from Procter & Gamble at any time during the Term. The Parties shall work together to identify a mutually agreeable P&G Director; however, if the Parties cannot agree upon a P&G Director within thirty (30) days

of Regeneron's receipt of Procter & Gamble's written notice, Procter & Gamble shall designate an officer of Procter & Gamble as a P&G Director and Regeneron shall uses its best efforts to have such P&G Director appointed or nominated and elected as a Director on Regeneron's Board of Directors. Notwithstanding anything to the contrary, Regeneron shall have no obligation pursuant to this Agreement to take any action that would result in more than one P&G Director sitting on Regeneron's Board of Directors at any one time, nor shall Regeneron have any obligations with respect to appointing or nominating a P&G Director under this Section 2.12 so long as Procter & Gamble owns less than [**********] of Regeneron's Outstanding Securities (as defined in the Securities Purchase Agreement dated May 13, 1997 between Procter & Gamble and Regeneron and as amended from time to time).

ARTICLE III - RESEARCH AND DEVELOPMENT

3.1. RESEARCH COLLABORATION PLAN. The Parties will agree to a Research Collaboration Plan. The OC is authorized to approve and amend the Research Collaboration Plan. During the Research Term, the Research Collaboration Plan budget shall include FTE allocations and any Third Party costs. The timing and calculations for the Research Collaboration Plan budget are contained in Attachment 3.1.

3.2. FUNDING OF RESEARCH COLLABORATION PLAN.

(a) During the Research Term, Regeneron shall provide [*******] Regeneron research FTEs per year for Regeneron's work pursuant to the Research Collaboration Plan. Unless otherwise agreed to by the parties, Procter & Gamble shall make payments quarterly, in arrears to Regeneron equal to [**********] per calendar quarter through December 31, 2005, subject to the adjustments contemplated in the paragraph below.

An Inflation Payment Adjustment shall be made quarterly beginning with the quarter ending September 30, 2001. Such Inflation Payment Adjustment shall be based on Regeneron's annual cost per research FTE of [**********] ("FTE Rate"). The FTE Rate includes costs such as those listed in Attachment 3.2. The Inflation Payment Adjustment shall be calculated by multiplying [****] Regeneron research FTEs by the FTE Rate Adjustment, which is defined as the quarterly equivalent of the FTE Rate multiplied by the percentage change (rounded to the nearest tenth of a percent) between the Consumer Price Index for All Urban Consumers as published by the U.S. Bureau of Labor Statistics ("CPI") for June 2000 versus the CPI for the month of June immediately preceding the Fiscal Year in which such payments are applicable. The calculation for and examples of such Inflation Payment Adjustments are detailed in Attachment 3.2. Regeneron shall use funding provided under this Section 3.2 solely for

carrying out the Research Collaboration Plan. Regeneron shall submit a report to Procter & Gamble within [**********] after the end of each Fiscal Quarter detailing the number of FTEs performing work pursuant to the Research Collaboration Plan and detailed description of such work. Regeneron shall submit invoices to Procter & Gamble pursuant to this Section 3.2(a), including, if applicable, a calculation of any amounts payable as Inflation Payment Adjustments, quarterly in arrears. Invoices submitted to Procter & Gamble pursuant to this Section are payable net [**********] days after receipt and are subject to Procter & Gamble's audit pursuant to Section 6.5.

(b) All costs associated with work by Procter & Gamble pursuant to the Research Collaboration Plan shall be borne by Procter & Gamble. In addition, Procter & Gamble shall pay for all Third Party costs for which it approves in its sole discretion.

(c) If a Lead Compound is identified by either or both Parties during the Tail Period, the Parties shall meet within [**********] days of such identification to agree on a Product Plan or other disposition (e.g., Opt out, license to a Party or Third Party) of such Lead Compound. The Lead Compound will be subject to the terms and conditions, including funding obligations required in this Agreement and shall be considered a Lead Compound in the Field. The Tail Period Term shall be terminated by the OC's approval or as otherwise agreed by the Parties.

3.3. SELECTION OF DEVELOPMENT COMPOUNDS. When a Research Compound has been demonstrated to meet the Success Criteria, the Compound shall be designated a Development Compound. Within ninety (90) days after the designation of a Development Compound by the Parties, the OC shall approve a Product Plan for such Development Compound. The Product Plan shall include [**********] Each Product Plan should incorporate those elements set forth in Attachment 3.3. [**********] The timing and calculations for the typical Product Plan budget is contained in Attachment 3.1 as an example. The OC will have complete authority to adopt all Product Plans.

3.4. FUNDING OF DEVELOPMENT COMPOUNDS AND MARKETED COMPOUNDS; OPTING OUT.

(a) Allowable Product Expenses.
****

****
**********]

(b) Either Party may, at any time during the Term, become an Opting Out Party with respect to a Lead Compound, Development Compound or Marketed Compound, either in total or on a country-by-country basis pursuant to Section 3.6. [**********
**********] The Opting Out Party shall grant licenses to the Proceeding Party pursuant to Section 5.5. Royalties paid pursuant to such licenses shall be made pursuant to Article VI.

(c) If both Parties are Opting Out Parties with respect to a Lead Compound, Development Compound or Marketed Compound pursuant to Section 3.4(b), [**********
**********].

(d) Procter & Gamble shall not be deemed an Opting Out party for [**********
****
**********]

3.5. RESEARCH, DEVELOPMENT AND MARKETING COMMUNICATION. In addition to Regeneron's reporting obligations under Section 3.2(a), Regeneron and Procter & Gamble will submit reports to each other not less than two (2) times per Fiscal Year presenting a meaningful summary of research, development and marketing activities performed under this Agreement. Regeneron and Procter & Gamble will make presentations of such activities to each other, beyond that made to the OC, as reasonably requested by each other. All technology generated by the Parties shall be disclosed pursuant to Section 7.1. The Parties shall use their best efforts to communicate information only within the scope of this Agreement. Regeneron and Procter & Gamble will also communicate informally and through the OC to inform each other of research and development done under this Agreement. Regeneron and Procter & Gamble will provide each other with raw data in original form or a photocopy thereof for any and all work carried out under this Agreement as reasonably requested by the other. Any information contained in such reports and as otherwise communicated by Regeneron or Procter & Gamble is subject to Article VIII. If one Party is deemed an Opting Out Party, the Proceeding Party shall annually report to the Opting Out Party research, development and marketing activities performed for Compounds in the Territory for the prior Fiscal Year sufficient to allow the Opting Out

Party to determine whether the Proceeding Party is utilizing Commercially Reasonable Efforts.

3.6. GLOBAL DEVELOPMENT. The Product Plan shall set forth commercially reasonable development work (including without limitation clinical studies) to support acceptable regulatory applications for marketing clearance in all Major Countries. The costs associated with these activities shall be deemed "Global Expenses." If either Party fails to pay its share of Global Expenses with respect to a Compound, such Party shall be deemed an Opting Out Party with respect to such Compound in the entire Territory pursuant to Section 3.4(b). Either Party may Opt Out of the commercialization of a Compound on a country-by-country basis provided it funds its share of total Global Expenses, to the extent that funding of any development and/or marketing expenses is solely attributable to one country and is not considered a Global Expense ("Country Expenses"). A Party that does not pay such Country Expenses shall be deemed an Opting Out Party with respect to such Compound in that particular country only pursuant to Section 3.4(b).

3.7. J-V FORMATION. Commencing at the [**********
**********] the Parties shall negotiate in good faith an agreement that contains all of the terms and conditions of this Agreement, along with other terms and conditions as the Parties may agree to develop and/or market Compounds, including without limitation reasonable non-compete provisions ("J-V Agreement"). In the event that the Parties cannot finalize such J-V Agreement within [**********] the Parties may commence dispute resolution pursuant to Section 2.8 or the Parties may elect to continue to perform development and marketing activities pursuant to this Agreement until its termination, or negotiate such other arrangement as the Parties may agree.

3.8. SUMITOMO COMPOUNDS. Regeneron shall, subject to the confidentiality provisions of Article VIII, have the right to disclose to Sumitomo Chemical Company Limited and its affiliates (herein "Sumitomo") information regarding a Compound solely conceived and reduced to practice by Regeneron solely for the purpose of, and to the extent necessary for, enabling Regeneron to fulfill its obligations under the Sumitomo Agreement.
****
****
****
****

3.9. REGULATORY RESPONSIBILITY. As part of the Product Plan for each Development Compound, the DC shall assign responsibility for the preparation and filing of Health Registrations for such Development Compound. The Parties shall consult and cooperate in obtaining all Health Registrations.

3.10. COMMUNICATION WITH REGULATORY AUTHORITIES. The Party assigned regulatory responsibility for a particular Health Registration for a Development Compound shall have primary responsibility for communications with respect to the regulatory authorities having jurisdiction over such Health Registration for the Development Compound. Both Parties shall have the right to participate in all meetings with regulatory authorities. The Party that is not assigned regulatory responsibility for a particular Health Registration for a Development Compound shall have the right to review all correspondence to the applicable regulatory authority prior to submission, unless such correspondence is of a routine nature or is an Adverse Experience report required by applicable law or regulation. Copies of all written correspondence submitted by either Party to regulatory authorities or written reports of discussions with regulatory authorities shall be sent to the other Party promptly after such submission or discussion. The Parties shall enter into further agreement or agreeable standard operating procedures to ensure rapid communication between the Parties regarding all communication to and from regulatory authorities.

3.11. OWNERSHIP OF INDS.

(a) Regeneron will own the IND or foreign equivalent for each Development Compound that is a protein and that is manufactured by Regeneron.

(b) P&G will own the IND or foreign equivalent for each Development Compound that is a small molecule and that is manufactured by P&G.

(c) For all other Development Compounds, the Party assigned primary responsibility for the execution of the clinical program shall own the IND or foreign equivalent.

(d) If the Party that owns the IND or foreign equivalent for a particular Development Compound is not assigned primary responsibility for the execution of the clinical program for such Development Compound, the Parties will enter into further agreement or agreeable standard operating procedures to ensure direct communication between FDA or other regulatory agency and the Party assigned primary responsibility for the execution of the clinical program regarding all clinical matters.

3.12. ADVERSE EXPERIENCES.

(a) Reporting Responsibilities. Adverse Experiences reported in respect of a particular Development Compound shall be reported to the appropriate regulatory authorities by the Party required to report such Adverse Experiences under the laws and regulations of each country in the Territory. "Adverse Experience" shall have the meaning set forth in current ICH guideline.

(b) Safety Representatives. Each Party will provide to the other the name of an appointed safety representative of the Party to whom all adverse Experiences reports and queries should be reported. The safety representative of each Party will report to the safety representative of the other Party all Adverse Experiences received in respect of a particular Development Compound as follows:

(i) Without regard to investigator-ascribed causality, any and every Adverse Experience which is fatal or life threatening or which is a serious Adverse Experience as defined in clinical protocols shall be reported by the receiving party to the other Party by facsimile within one (1) working day of receipt by the receiving Party's safety representative;

(ii) A summary written report of all non-serious Adverse Experiences shall be submitted by the receiving Party to the other Party on a monthly basis by the receiving Party's safety representative;

(iii) A summary written report of all Adverse Experiences, serious and non-serious shall be provided by each Party to the other Party, on an annual basis, indicating those cases which have previously been reported to the other Party;

(iv) Any information which changes an Adverse Experience from non-serious to serious shall be reported to the other Party's safety representative within one (1) working day of receipt of such information by the receiving Party's safety representative;

(v) Further information received by a Party on any serious Adverse Experience shall be reported to the other Party's safety representative within ten (10) working days of receipt of such information by the receiving Party's safety representative; and

(vi) Treatment codes shall be included in all reports for any Adverse Experiences that must be reported to European regulatory authorities.

(c) Serious Adverse Experiences. For purposes of this Agreement, an Adverse Experience will be considered "serious" according to the then-current ICH and FDA criteria as well as any event defined as a serious Adverse Experience by the relevant study protocol.

ARTICLE IV - MARKETING OF PRODUCTS

4.1. MARKETING AND SALES STRATEGY. [**********
****
****
****
**********]

4.2. NET PROFITS. The Parties, so long as neither Party is an Opting Out Party with respect to such Marketed Compound either in the entire Territory or in one or more specific countries, as appropriate, will share equally in the Net Profits of each Compound sold. "Net Profits" mean Net Sales less Allowable Product Expenses.

4.3. EXCLUSIVE DISTRIBUTOR. The OC may appoint either Party or a Third Party to act as its agent in connection with the marketing, sale and distribution of Marketed Compounds, and the OC and/or the Parties (as the case may be) shall grant to such agent(s) appropriate authority to perform its or their responsibilities hereunder. In connection with such marketing, sales and distribution, the following principles shall apply:

(a) the business objective will be to maximize overall profits; and

(b) in the event that a Third Party is appointed as the Parties' agent with respect to the marketing, sale and distribution of the Marketed Compound in a country, Regeneron and Procter & Gamble will each receive equal shares of any revenue received from such Third Party, so long as neither Party is an Opting Out Party with respect to such Marketed Compound in such country.

4.4. REGENERON CO-PROMOTION ACTIVITIES. Provided that Regeneron is not an Opting Out Party with respect to the Compound, Regeneron will have an equal right and opportunity, but not the obligation, to participate in the sales and marketing efforts in any country in the Territory as to which it has not Opted Out by supplying up to [**********] of a Marketed Compound's sales and marketing efforts with notice to Procter & Gamble within [********] of the OC's decision to prepare a regulatory application for marketing clearance in the first Major Country with respect to all Major Countries, then on a country-by-country basis upon regulatory filings in such countries other than Major Countries. Regeneron's and Procter & Gamble's sales and marketing personnel costs shall be an Allowable Product Expense and shall be calculated for both

Parties on the same basis (e.g., the cost per salesperson or sales call for Regeneron and Procter & Gamble shall be the same per year). If the Parties want to discontinue or decrease its promotion activities, it must give the other Party [*********] notice prior to such discontinuation or decrease. Either Party's choice to not promote a Marketed Compound shall not cause such Party to be an Opting Out Party with respect to such Marketed Compound, so long as such Party meets its funding obligations pursuant to Section 3.4.

4.5. TRADEMARKS; PACKAGING. After a Compound has been designated a Development Compound, the Parties shall jointly develop a trademark for such Development Compound. So long as it is not an Opting Out Party with respect to such Compound in a country, Procter & Gamble shall file, prosecute and maintain all trademark applications and registrations for such trademarks. Procter & Gamble shall pay all expenses in connection with filing and prosecution of such trademarks. All other costs associated with such trademarks shall be deemed Allowable Product Expenses. As long as neither Party is an Opting Out Party with respect to the Marketed Compound, such Marketed Compound shall be sold under a single trademark which shall be owned by Procter & Gamble (and Procter & Gamble shall grant Regeneron a royalty-free license to such trademark(s) if Regeneron promotes a Marketed Compound pursuant to Section 4.4) or, if a legal entity is formed pursuant to a J-V Agreement, the trademark shall be owned by such entity to the extent legally permissible. If one Party is an Opting Out Party with respect to such Marketed Compound, any trademarks shall be owned by the Proceeding Party. So long as neither Party is an Opting Out Party, the label of the Marketed Compound will contain the name of Regeneron and Procter & Gamble, to the extent legally permissible.

ARTICLE V - LICENSE GRANTS

5.1 RIGHTS IN TECHNOLOGY DEVELOPED DURING AGREEMENT. Patents and Know-how regarding all Inventions, shall be owned:

(a) by P&G, if such technology is conceived and reduced to practice solely by employees of P & G;

(b) jointly, if such technology is conceived and/or reduced to practice jointly by employees of P&G and Regeneron; and

(c) by Regeneron, if such technology is conceived and reduced to practice solely by employees of Regeneron.

Inventorship shall be determined according to the laws of the United States. Filing, prosecution, maintenance and enforcement of such Patents shall be handled pursuant to Article VII. Except as specifically set forth in this Agreement, no Party shall have any rights to Patents or Know-how owned solely by the other Party.

5.2 LICENSE GRANTS DURING RESEARCH TERM - INVENTIONS HAVING UTILITY IN THE FIELD.

(a) P&G hereby grants Regeneron a Sole License under P&G Patent Rights and P&G Know-how to make, have made, use, import, offer for sale and sell P&G Technology in the Field. The Sole License shall be royalty free for uses in the Field. P&G also hereby grants Regeneron, for research purposes only in the Field, a Sole License under P&G Patent Rights and P&G Know-how to make, have made, and use small molecule Research Compounds that have not met Success Criteria.

(b) Regeneron hereby grants P&G a Sole License under Regeneron Patent Rights and Regeneron Know-how to make, have made, use, import, offer for sale and sell Regeneron Technology in the Field. The Sole License shall be royalty free for uses in the Field.

(c) The licenses granted in Sections 5.2(a) and (b) above will not be used by either Party independent of this Agreement.

(d) As used herein, "Sole License" shall mean a non-exclusive license in the Territory under Know-how or a Patent, without the right to sublicense, granted by a "Licensor Party" to the other "Licensee Party" in the Field, wherein the Licensor Party shall not grant any Third Party rights in the Field under the Know-how or Patent to the subject matter of the license.

(e) With respect to Inventions made as a direct result of work done under this Agreement during the Research Term and owned solely or jointly by a Party wherein the Invention has utility in the Field, each Party grants to the other the right of first negotiation to obtain from the other Party exclusive rights outside the Field in the Territory under reasonable terms for any such Invention. This "right of first negotiation" shall be in effect during the Research Term. For sole Inventions that a Party wishes to partner or out license, the "rights of first negotiation" shall operate as set forth in Section 5.4(c).

5.3 RIGHTS UPON TERMINATION OF THE RESEARCH TERM - INVENTIONS HAVING UTILITY IN THE FIELD.

(a) Upon expiration of the Research Term, the Sole Licenses and rights of first negotiation granted by the Parties under Section 5.2 shall terminate. However, the Parties

grant the license rights set forth in Sections 5.3(b) and (c) on expiration of the Research Term.

(b) With respect to Procter & Gamble Inventions having a utility in the Field, P&G shall grant Regeneron a non-exclusive, royalty-free license under Procter & Gamble Know-how and P&G Patent Rights, without the right to sublicense, to make, have made, and use P&G Technology for the purpose of discovering, developing and/or commercializing Compounds (other than small molecules, DNA sequences, proteins and peptides that are covered by Procter & Gamble Inventions identified during the Research Term or Tail Period ("Procter & Gamble Compounds")) in the Field. In addition, P&G shall grant to Regeneron a non-exclusive, royalty free license under Procter & Gamble Know-how and P&G Patent Rights, without the right to sublicense, to make, have made, and use Procter & Gamble Compounds solely for research purposes. For clarity, this non-exclusive license to Procter & Gamble Technology and Procter & Gamble Compounds does not include the right to have sold or sell Procter & Gamble Technology and Procter & Gamble Compounds, under Procter & Gamble Know-how and P&G Patent Rights.

(c) With respect to Regeneron Inventions having utility in the Field, Regeneron shall grant Procter & Gamble a non-exclusive, royalty-free license under Regeneron Know-how and Regeneron Patent Rights, without the right to sublicense, to make, have made, and use Regeneron Technology for the purpose of discovering, developing and/or commercializing Compounds (other than Compounds that are small molecule Research compounds, DNA sequences, proteins or peptides covered by Regeneron Inventions identified during the Research Term or the Tail Period ("Regeneron Compounds")) in the Field. This non-exclusive license does not include the right to have sold or sell Regeneron Technology, including, without limitation, Regeneron Compounds, under Regeneron Know-how and Regeneron Patents.

(d) Pursuant to Section 5.6, Procter & Gamble and Regeneron hereby grant to one another for the Term a Sole License in the Territory to Patents and Know-how directly relating to and necessary to make, have made, use, import, offer for sale, and sell Development Compounds and the corresponding Validated Targets. In addition, further to the rights granted elsewhere in this Section 5.3, Procter & Gamble and Regeneron hereby grant to one another a non-exclusive, royalty-free license in the Territory to Patents and Know-how or other general application technology that either Party owns or acquires from a Third Party with the right to sublicense to the extent necessary to make, have made, use, import, offer for sale, and sell Development Compounds and/or Validated Targets in the Territory. Such general applications may include, but are not limited to, dosage form, reagents, and or cloning methods.

(e) Neither Party shall file an Abbreviated New Drug Application ("ANDA") in the U.S. or an equivalent foreign application for generic approval for marketing of a Compound using the licenses under this Section.

5.4 LICENSE GRANTS TO INVENTIONS HAVING NO UTILITY IN THE FIELD. With respect to Inventions (i) for which there is no known utility in the Field, (ii) that are made as a direct result of work performed under this Agreement and (iii) for which there are no license obligations to Third Parties prohibiting the grant of licenses set forth below, the parties agree that subject to (a) and (b) below, each Party shall have the right of first negotiation to obtain exclusive rights outside the Field and in the Territory under reasonable terms consistent with those set forth herein for any such Invention owned jointly with the other Party.

(a) Procter & Gamble shall have the right of first negotiation to obtain exclusive rights outside the Field and in the Territory under reasonable terms consistent with those set forth herein for any such Invention having [**********] owned solely by Regeneron or its Affiliates.

(b) Regeneron shall have the right of first negotiation to obtain exclusive rights outside the Field and in the Territory under reasonable terms consistent with those set forth herein for any such Invention having [**********] owned solely by P&G or its Affiliates.

(c) The "rights of first negotiation" referred to above in this Section 5.4(a) and (b) and previously in Section 5.2(c) shall operate as follows: The Party that discovered the Invention (the "Discovering Party") shall notify the other Party (the "Other Party") that it intends to partner in developing and/or marketing the Invention and other material information concerning the applicable Invention (the "Non-Field Invention Notice"). Within thirty (30) days after receipt of the Non-Field Invention Notice, the Other Party will notify the Discovering Party if it wishes to negotiate the terms of research, development and/or marketing agreement between the Parties with respect to such Invention. The Parties shall then negotiate in good faith to agree upon the terms of any such agreement, provided that no Party shall have any obligation to enter into a final binding agreement or letter of intent. During this period, the Discovering Party shall respond to all reasonable inquiries by the Other Party concerning the applicable Invention. The information disclosed to the Other Party in the Non-Field Invention Notice and during this negotiation period concerning the Invention shall be considered Information pursuant to Section 8.1 of this Agreement. In the event that the Parties have not entered into a

further agreement (which may include a binding letter of intent in lieu of a final agreement) on or before sixty (60) days after the delivery of the Non-Field Invention Notice to the Other Party, the Discovering Party shall have no obligations to the Other Party, and the Other Party shall have no rights, with respect to the use of the applicable Invention.

5.5 GRANT OF LICENSE BY OPTING OUT PARTY. In the event a Party becomes an Opting Out Party with respect to a Development Compound in its entirety or on a country-by-country basis, then the license granted by the Opting Out Party to the Proceeding Party shall be an exclusive license including as to the Opting Out Party, with the right to sublicense, to make, have made, use, import and sell such Development Compound under the Patents, Know-how, trademarks and copyrights regarding that Compound owned in whole or in part by the Opting Out Party. The license shall be in all countries of the Territory in which Opting Out has been deemed to occur, and shall be subject to a royalty as set forth in Section 6.1. The Opting Out Party shall comply with reasonable requests for cooperation by the Proceeding Party, and the Proceeding Party shall reimburse the Opting Out Party for reasonable out-of-pocket expenses incurred with respect to such cooperation.

5.6 RIGHTS IN COMPOUNDS UNDER RESEARCH, DEVELOPMENT AND MARKETING. A Party shall not grant any license to a Third Party in the Territory under any Patent or Know-how owned in whole or in part by that Party to make, have made, use, import or sell any Compounds that are the subject of joint research, development or marketing by the Parties under this Agreement or any J-V Agreement.

ARTICLE VI - ROYALTIES AND ACCOUNTING

6.1. ROYALTY CALCULATION.

(a) The Proceeding Party will pay to the Opting Out Party a royalty on Net Sales of a Marketed Compound on a country-by-country basis, sold by the Proceeding Party, its Affiliates, licensees and/or sublicensees in the Territory at the applicable rate listed below multiplied by the Net Sales in such country:

Opt Out Time	Royalty
[**********	[****]
**********	
**********	
**********	
**********	
**********	
**********	
**********	
**********	[****]
**********	
**********	
**********	
[**********	[****]
**********	
**********	
**********	
[**********	[****]
**********	
**********]	

Such royalty will be paid for a period of [*********] years from the date of first sale to a customer of such Compound in a particular country, or for so long as the manufacture, use, importation or sale of the Compound would, but for the licenses granted herein, infringe a Valid Claim of a licensed Patent in such country, whichever is longer.

(b) If the Parties license the Development or Marketed Compound to a Third Party pursuant to Section 3.4(c)[**********
****
****
****
**********]. Examples of the respective percentages are outlined in Attachment 6.1(b). Reasonable out-of-pocket expenses incurred in obtaining such licensee shall be shared equally by the Parties. Notwithstanding the above, either Party may receive, without sharing with the other Party, reimbursement from such licensee for reasonable,[**********
**********] costs of research, development and/or marketing costs (whether internal or Third Party) to be incurred by such Party for work to be conducted in the future on behalf of the licensee.

Any amounts in excess of such reimbursement shall be shared in the same proportion as calculated above in this Section 6.1(b) All amounts from licensees received by either Party shall be fully disclosed to the other Party and subject to audit (including without limitation the calculation of Fully-Loaded costs) pursuant to Section 6.5.

(c) If the Proceeding Party elects to distribute or sublicense a Development or Marketed Compound in any country, and a license must be obtained from a Third Party to manufacture and/or market such Development or Marketed Compound to avoid a non-frivolous claim of patent infringement, the Proceeding Party shall offset the following portion of the Third Party license fee, royalty or other similar payments ("Licensee Fees") against the Opting Out Party's royalty:

[**********]	Percent of Licensee Fee Offset Against the Opting Out Party's Royalty
[****]	[******]
[****]	[******]
[****]	[******]
[****]	[******]

Any portion of Licensee Fees paid by the Proceeding Party that is to be offset against the Opting Out Party's royalty but that exceeds the Opting Out Party's royalty payable, shall be carried forward and accrue interest pursuant to Section 6.4 and be offset against future royalties as such royalties become payable.

6.2. ROYALTY PAYMENT.

(a) Royalties payable under Sections 2.4(e) and 6.1 will be paid not later than sixty (60) calendar days following the end of each Fiscal Quarter. All payments shall be accompanied by a report in writing showing the Fiscal Quarter for which such payment applies, the amount billed to Third Parties for Marketed Compounds sold during such Fiscal Quarter, the deductions from the amount billed to arrive at the Net Sales, the Net Sales for the Fiscal Quarter, and the royalties due on such Net Sales, such report being broken down by Marketed Compound and country. All royalties will be paid in the currency where Net Sales take place or, at the option of the payee, in US dollars at a rate of exchange on the last business day of the Fiscal Quarter as quoted in The Wall Street Journal (or Citibank, N.A. if such rates are not available in The Wall Street Journal).

(b) All royalties due under this Article VI will be deposited in a bank chosen by the recipient by the date due. Any amounts or royalties prohibited from export by a

particular country will be deposited in a bank chosen by the recipient in such country. Any deductions for withholding taxes imposed by the country in which Net Sales take place will be withheld and paid as required by law. The amount of tax withheld shall be for the account of the Party receiving the payment. The amount of withholding tax will be allocated, if applicable, in the ratio of the respective income to which the withholding tax is related. The paying Party will provide promptly upon request any receipts from the governmental or taxing authority evidencing payment of such taxes and will assist the receiving Party in claiming relief from double taxation.

6.3. RECORDS. Procter & Gamble and Regeneron will maintain, and will require their Affiliates and sublicensees to maintain, complete and accurate records of Net Sales of Marketed Compounds sold subject to the royalty provisions of Sections 2.4(e) and 6.1 and the audit provisions of Section 6.5.

6.4. INTEREST RATE. Unless otherwise provided in this Agreement, any payments past due will bear interest at the prime rate (such quoted in The Wall Street Journal on the first day of the month of the accrual) plus two (2) percentage points, compounded monthly.

6.5. AUDIT. Records shall be open for audit during reasonable business hours for a period of three (3) years from creation of individual records for examination not more often than once each year by an independent certified public accountant ("CPA") selected by the payee and reasonably acceptable to the payer for the sole purpose of verifying the correctness of payments to be made under this Agreement. If the CPA finds a discrepancy of greater than ten (10) percent of such payment, the CPA shall submit a detailed report regarding the audit and such discrepancy to both Parties within thirty (30) days of commencing the audit. The Parties shall attempt to resolve such discrepancy to their mutual satisfaction during the next fifteen (15) days. If the Parties cannot resolve the discrepancy, their CEOs shall meet within ten (10) days after such fifteen (15) day time period. If the CEOs cannot resolve the dispute within five (5) days, either Party may take such dispute to arbitration pursuant to Section 11.4. The calculation of such payment shall be deemed final (and not subject to audit or dispute resolution) five (5) years after the period in which such payment was due, unless arbitration pursuant to Section 11.4 is commenced prior to such time. Out-of-pocket expenses incurred with respect to such CPA shall be paid by the payee; however, the payer shall reimburse the payee for such CPA expenses if the discrepancy is greater than ten (10%) percent, as such discrepancy is determined by the CEOs or arbitrators.

ARTICLE VII - PATENTS AND INFRINGEMENT

7.1. DISCLOSURE. Procter & Gamble will promptly disclose to Regeneron all Procter & Gamble Technology described in Section 1.43. Regeneron will promptly disclose to Procter & Gamble all Regeneron Technology described in Section 1.47 The Parties intend that there be a timely and full exchange of all information arising from each Research Collaboration Plan or Product Plan subject to the terms and conditions of this Agreement. Each Party shall promptly disclose to the other Party any critical data or development which it reasonably believes would or could have a material effect, whether positive or negative, on a Research Collaboration Plan or Product Plan.

7.2. PATENT APPLICATIONS. Regeneron and Procter & Gamble will discuss and evaluate Technology disclosed pursuant to Section 7.1, and confer regarding the advisability of filing patent applications to cover any Technology. The Party (herein "Responsible Party") responsible for the filing, prosecution and maintenance of patent applications shall be: (a) Procter & Gamble, if the subject invention is made solely by employees of Procter & Gamble; (b) Regeneron, if the subject invention is made solely by employees of Regeneron; or (c) determined by agreement of the Parties for all other inventions, taking into account the nature of the invention and the relationship of the invention to inventions claimed in other patents or applications. Regeneron and Procter & Gamble will discuss with each other the advisability of filing Patent applications beyond the priority country.

7.3. FILING AND PROSECUTION OF PATENTS. The Responsible Party shall, at its expense, diligently file, prosecute, issue, and maintain patent applications according to its own internal standards and for effectively covering other inventions made by its employees or consultants. The Responsible Party will endeavor to ensure that all patent applications are filed before any public disclosures so as to ensure validity of patent applications filed outside of the United States. The Responsible Party will submit a substantially complete draft of each patent application to the other Party at least thirty (30) days prior to the contemplated filing date and consider any comments of the other Party, provided that in those circumstances where the Responsible Party believes time is of the essence, the Responsible Party will endeavor to provide the other with such advance notice as it reasonably can under the circumstances. Regeneron and Procter & Gamble will confer with each other regarding the prosecution of such Patent Applications and will copy each other with any official action and submission in such Patent Applications.

7.4. ALTERNATE RESPONSIBILITY FOR PROSECUTION. In the event the Responsible Party determines that it will not file, prosecute, issue or maintain, a Patent in a particular country, it shall promptly notify the other Party. The other Party shall then have the right, but not obligation to assume responsibility for the Patent in such country, and thereby become the Responsible Party for that Patent in such country pursuant to Section 7.3. The other Party shall be given all necessary authority by the original Responsible Party to file, prosecute, issue, and maintain the Patent in such country.

7.5. INFRINGEMENT. Procter & Gamble and Regeneron shall promptly notify the other in writing of any infringement of a Patent licensed or to be licensed pursuant to Article V of which they become aware.

7.6. ENFORCEMENT OF PATENTS. Regeneron and Procter & Gamble may, but shall not be required to, prosecute any alleged infringement or threatened infringement of a Patent licensed or to be licensed pursuant to Article V of which they are aware or which is brought to their attention. The prosecuting Party shall act in its own name and at its own expense unless the other Party at its option pays fifty percent (50%) of all reasonable out-of-pocket costs prior to the commencement of trial or an agreement on a settlement. Regeneron and Procter & Gamble shall cooperate fully with each other including, if required to bring such action, the furnishing of power of attorney. Any recovery obtained shall belong to the prosecuting Party unless the other Party has paid fifty percent (50%) of said costs in which case each Party will receive fifty percent (50%) of any recovery.

7.7. ALTERNATE RESPONSIBILITY FOR ENFORCEMENT. If Regeneron or Procter & Gamble has failed to prosecute under Section 7.6 with respect to alleged or threatened infringement of one of its Patents (i) three (3) months after it has been notified in writing by the other of such alleged infringement or (ii) one (1) month before the time limit, if any, set forth in the appropriate laws and regulations for the filing of such actions, whichever comes first, the other may, but shall not be required to, prosecute any alleged infringement or threatened infringement of the Patent. Such prosecuting Party shall act in its own name and at its own expense. In such event, both Parties shall cooperate fully with each other at their own expense, including if required in order to bring such an action, the furnishing of a power of attorney. Any recovery obtained shall belong to the prosecuting Party.

7.8. TRADEMARK INFRINGEMENT AND ENFORCEMENT. Procter & Gamble and Regeneron shall promptly notify the other in writing of any infringement of a trademark

under Section 4.5 of which they become aware. The owner of the trademark application or registration may, but shall not be required to, prosecute any such alleged infringement or threatened infringement. The prosecuting Party shall act in its own name (unless joinder of the other Party is required by law in which case it shall be joined) and at its own expense unless the other Party at its option pays fifty percent (50%) of all reasonable out-of-pocket costs prior to the commencement of trial or an agreement on a settlement. Regeneron and Procter & Gamble shall cooperate fully with each other in such action. Any recovery obtained shall belong to the prosecuting Party unless the other Party has paid fifty percent (50%) of the costs in which case each Party will receive fifty percent (50%) of any recovery.

7.9. ALTERNATE RESPONSIBILITY FOR TRADEMARK ENFORCEMENT. If the owner of the trademark application or registration has failed to prosecute under Section 7.8 with respect to an alleged or threatened infringement of a trademark (i) three (3) months after it has been notified in writing by the other of such alleged infringement or (ii) one (1) month before the time limit, if any, set forth in the appropriate laws and regulations for the filing of such actions, whichever comes first, the other Party may, but shall not be required to, prosecute any alleged infringement or threatened infringement of the trademark. Such prosecuting Party shall act in its own name and at its own expense. In such event, both Parties shall cooperate fully with each other at their own expense. Any recovery obtained shall belong to the prosecuting Party.

ARTICLE VIII - CONFIDENTIALITY

8.1. CONFIDENTIALITY AND NON-USE OBLIGATIONS. Each Party shall maintain in confidence all information (herein "Information") which is:

(a) disclosed to it by the other Party pursuant to Section 7.1;

(b) developed by the Party during the Research Term; or

(c) other information ("Other Information") disclosed by the other Party which is not within the scope of the collaboration and which is considered confidential by the other Party, and so designated as confidential in writing when first disclosed or within thirty (30) days after disclosure if the first disclosure is oral.

The Party shall take all reasonable precautions to:

(d) prevent disclosure of such Information to Third Parties, except as set forth in Section 2.9, Section 8.3 and Section 11.10, or as may be necessary for the filing or prosecution of patent applications pursuant to Article VII;

(e) use Know-how pursuant to the rights and obligations of the Party pursuant to Article V; and

(f) use Other Information only for the purposes of this Agreement.

These restrictions upon disclosure and use of Information shall terminate ten (10) years after the date such Information is developed or disclosed as set forth above, but shall not apply to any specific portion of Information which:

(i) is Other Information already in the possession of a Party at the time of disclosure by the other Party;

(ii) is or later becomes available to the public other than by default by the Party;

(iii) is received from a Third Party having no obligation of confidentiality to the other Party;

(iv) is Other Information developed by the Party entirely without reference or use of Information, as established by probative documentary evidence; or

(v) is required to be disclosed by law or government regulation.

8.2. PRIOR CONFIDENTIALITY AGREEMENTS. All Information that is covered under the confidentiality and non-use obligations of Section 8.1. of the Multi-Project Collaboration Agreement (hereinafter referred to as "MPC Information") applicable to this Agreement that was to be kept confidential under the Multi-Project Collaboration Agreement as of the Effective Date will be subject to the terms of Section 8.1 as if disclosed under this Agreement. All other MPC Information shall be treated as set forth in this Section 8.2. The confidentiality and non-use obligations set forth in Section 8.1 of the Multi-Project Collaboration Agreement shall survive for each Party pursuant to the terms of Section 11.8 thereof (i) for Regeneron with respect to any MPC Information relating to Procter & Gamble Retained Projects, (ii) for Procter & Gamble with respect to any MPC Information relating to Regeneron Retained Projects, and (iii) for both Parties with respect to all other MPC Information unrelated to any of the Retained Projects of the Field. Notwithstanding the terms of Section 11.8 of the Multi-Project Collaboration Agreement, all confidentiality and non-use obligation set forth in Section 8.1 of the Multi-Project Collaboration Agreement relating to any Mutual Retained Project shall no longer remain in effect.

8.3. RESEARCH MANUSCRIPTS AND ABSTRACTS. It is understood the Parties may wish to publish or otherwise disclose technology to a Third Party for publication in a

reputable scientific forum (for example, as an abstract, poster presentation, lecture, article, book, or any other means of dissemination to the public). Either Party may make such a disclosure to a Third Party regarding preclinical research solely invented by its own employees, provided that if appropriate, a patent application adequately describing and claiming any technology embodied in such disclosure has been filed pursuant to Article VII. If such disclosure is related to clinical research or work jointly invented by the Parties, no such disclosure will be made to a Third Party until a patent application has been filed adequately describing and claiming any patentable technology embodied in such disclosure pursuant to Article VII and the non-disclosing Party has been provided thirty (30) days to review and comment on such disclosure. Such disclosures may be made to a Third Party regarding clinical research only if clinical data has been locked and if disclosure presents no significant risk to regulatory filings and serves a compelling business reason for publication. Any disputes regarding the appropriateness and content of any such disclosure shall be resolved by the PC.

8.4. THIRD PARTY ACCESS TO DEVELOPMENT COMPOUNDS. The Parties recognize that inappropriate use of a Development Compound outside the scope of the approved Product Plan may result in Adverse Experiences that could adversely affect the labeling of the Compound or the ability of the Parties to gain regulatory approval to market the Compound. Therefore, neither Party shall provide a Development Compound in any form to a Third Party without the prior written consent of the other Party. Upon receiving notice that the other Party intends to provide a Development Compound to a Third Party, a Party shall have two (2) weeks to provide or withhold consent. Before providing a Development Compound to a Third Party, the Parties shall enter into a written agreement with such Third Party obligating the Third Party to disclose to the Parties all results of research involving the Development Compound, including without limitation all Adverse Experiences.

8.5. PUBLICATIONS. The Parties recognize that independent investigators will be engaged to conduct pre-clinical and clinical trials of Development Compounds, and that the disclosure of information regarding such trials could be detrimental to the ability of the Parties to effectively develop and market such Compound. To the extent practicable, the Parties will enter into agreements with investigators that require the approval of the Parties before the publication of information concerning a Development Compound.

8.6. SUMITOMO COMPOUNDS. Notwithstanding anything to the contrary, nothing in this Article VIII shall govern the Sumitomo Compounds.

ARTICLE IX - REPRESENTATIONS, WARRANTIES AND INDEMNIFICATION

9.1. PATENTS.

(a) Each Party warrants that, as of the Effective Date, it has no actual knowledge of any information rendering invalid or unenforceable any Patent licensed to the other Party under Article V or VII. Each Party will promptly inform the other Party immediately if it obtains such information after the Effective Date.

(b) Each Party warrants that it is has no actual knowledge of any patents or Know-how owned by a Third Party that might prevent, inhibit, or limit the Parties from conducting the research, development and marketing activities under this Agreement other than what has been previously disclosed. Each Party warrants that, except as disclosed in Attachment 9.1(b), it has not entered into any agreement with a Third Party that might prevent, inhibit, or limit the Parties from conducting the research, development and marketing activities under this Agreement.

9.2. NO GUARANTEE. The Parties understand that the research and development work to be conducted pursuant to this Agreement will involve untested, experimental, and currently undeveloped technology and that neither Regeneron nor Procter & Gamble guarantees the safety or usefulness of any Compound. Except as expressly set forth in this Agreement, the Parties disclaim all warranties of any nature, express or implied.

9.3. INDEMNIFICATION.

(a) Indemnification Regarding Joint Activities, General. Any and all liability, damage, loss, cost (including without limitation reasonable attorneys' fees) and expense resulting from any suits, claims, actions, demands, liabilities, expenses and/or loss ("Losses") relating to the joint development, manufacture, use, storage, distribution or sale of any Compound ("Joint Activities") will be shared equally. Each Party shall indemnify and hold harmless the other Party for such Party's respective share of such liability; provided, however, that the portion of Losses due to the gross negligence or willful or intentional misconduct of either or both Party(ies) shall be governed by Section 9.3(b).

(b) Indemnification by the Parties. Each Party shall indemnify and hold the other Party harmless from and against that portion of any and all Losses due to the gross negligence or willful or intentional misconduct of such indemnifying Party, as well as any Losses caused by the negligence or misconduct of the other Party that were not caused by Joint Activities.

(c) Indemnification by the Proceeding Party. The Proceeding Party agrees to save, defend and hold the Opting Out Party harmless from and against any and all Losses to the extent that such factual allegations forming the primary basis for such Losses occurred after the Party became an Opting Out Party with respect to that Compound and/or country. Both Parties shall provide prompt notice to the other of such potential Losses. The Proceeding Party shall assume control of the defense of the potential Losses (including without limitation the right to settle the claim). The Opting Out Party shall provide reasonable cooperation to the Proceeding Party, and the Proceeding Party shall reimburse the Opting Out Party its reasonable out-of-pocket expenses.

(d) Indemnification Procedure. In the event that either Party receives notice of potential Losses, such Party shall immediately inform the other Party and the OC. The OC shall decide the manner in which to respond to and handle the claim. If the OC cannot decide on how to respond to the claim prior to five (5) days before the answer is due, the Party receiving the notice shall answer the claim and take reasonably necessary actions to defend itself, and the other Party may appoint its own counsel at its own expense, until the OC agrees on how to handle the claim.

ARTICLE X - TERM, TERMINATION; CHANGE OF CONTROL

10.1. EFFECTIVE DATE AND TERM.

(a) Effective Date. This Agreement shall become effective on January 1, 2001 ("Effective Date").

(b) Term. Unless terminated earlier by mutual agreement or by either Party pursuant to Section 10.3 and subject to Section 3.2(c) (in which case relevant portions of this Agreement may come back into effect for any Lead Compound discovered during the Tail Period), this Agreement shall commence on the Effective Date and expire at the later of (i) the end of the Research Term; (ii) the end of development and marketing of the last Compound to be developed or marketed pursuant to this Agreement (unless such Compound is the subject of a separate agreement); or (iii) the end of the Royalty Term. Rights in technology upon termination shall be as set forth in Section 5.3.

10.3. DEFAULT. Failure by either Party (the "Defaulting Party") to comply with any of the material obligations contained in this Agreement, or any of the Securities Agreements, the Registration Rights Agreement, the Warrants Purchase Agreement or any J-V Agreement shall entitle the other Party (the "Nondefaulting Party") to give to the Defaulting Party notice specifying the nature of the default and requiring it to cure such default. If the Defaulting Party disagrees with the existence, extent or nature of the

default, the Parties shall use good faith efforts to resolve the dispute within thirty (30) days. If (i) such default is not cured with such thirty (30) day period after the receipt of such notice or (ii) the Parties have not otherwise resolved the dispute during such thirty (30) day period, the Nondefaulting Party shall be entitled to initiate arbitration under Section 11.4 and at its sole discretion terminate this Agreement. In the event of such termination, and in addition to any other remedies available to the Nondefaulting Party, the Defaulting Party shall be deemed an Opting Out Party with respect to any Compounds pursuant to Section 5.5.

10.4. CHANGE OF CONTROL.

(a) In the event of a Change in Control, as that term is defined in Section 10.6(a), of either the Parties or their respective Affiliates that have responsibilities or obligations under this Agreement (each collectively or individually then referred to as the "Acquired Company") and the Acquired Company is not an Opting Out Party with respect to all Compounds in all countries under this Agreement, then the Party affiliated with the Acquired Company shall notify the other Party of any such Change in Control as soon as the Change in Control may publicly be announced. Upon receipt of any such notification, the other Party or an Affiliate thereof (the "Electing Company") shall have the unilateral right to give notice to the Acquired Company within thirty (30) days after its next regularly scheduled board meeting, but in no event longer than sixty (60) days, after receipt of the Acquired Company's notification that the Electing Company:

(i) elects not to continue the research, development and marketing collaboration, whether or not a J-V has been formed (the "Option"), in which case a determination of the License Fee pursuant to Section 10.7 will be made, and within [**********] following such License Fee determination will make the further election either to purchase the entire interest of the Party affiliated with the Acquired Company under this Agreement or any J-V Agreement ("Acquired Company Interest") or offer the Acquired Company the option to purchase the entire interest of the Electing Company under this Agreement or any J-V Agreement ("Electing Company Interest") at the License Fee (but in the event that the Acquired Company does not desire to purchase the Electing Company Interest, the interests of the Parties shall be disposed of by sale, license or other commercially reasonable arrangement for a price that maximizes value for both Parties, paid by a Third Party or a Party, and each Party shall have the right to receive half of the consideration thus obtained), or

(ii) desires to continue the collaboration for a period of up to [**********] from the date of the Change in Control (the "Trial Period") upon the express condition that the ultimate parent of the entity acquiring control of the Acquired Company within [**********] thereafter agrees in writing to such Trial Period and otherwise agrees to be bound by the provisions of this Agreement, the Registration Rights Agreement, the Securities Agreements, and any J-V Agreement. If the ultimate parent of the acquiring entity accepts these conditions, the collaboration shall continue, and the Option shall expire unless the Electing Company exercises the Option within [**********] days prior to the expiration of the Trial Period. If the ultimate parent of the acquiring entity fails to give notice within the required period that it will be bound by the provisions of such aforementioned Agreements, the Electing Company shall be deemed to have exercised the Option as of the expiration of such [**********] period and the Parties shall then follow the procedures set forth in this Section 10.4.

10.5. SUBSTANTIAL STOCK ACCUMULATION. In the event of a Substantial Stock Accumulation in either the Procter & Gamble Parent or the Regeneron Parent, as soon as the Party affiliated with the Affected Company has knowledge of the Substantial Stock Accumulation, it shall give prompt notice to the other Party. Such notice shall be separate from and in addition to the notice provided for in Section 10.4 and must be given regardless of whether the Party affiliated with the Affected Company regards the Substantial Stock Accumulation as being not in the best interest of the collaboration. From the date on which the Party affiliated with the Affected Company has notice of the Substantial Stock Accumulation, the following provisions shall become effective and remain effective until the Substantial Stock Accumulation is eliminated, unless otherwise agreed:

(i) If the Party that is not affiliated with the Affected Company reasonably determines in good faith that the person or entity making the Substantial Stock Accumulation is a competitor of such Party or its Affiliates, such Party may so inform the other Party in writing. Promptly after receipt of such notice, the Party affiliated with the Affected Company shall establish a procedure whereby no director or executive employee of the Affected Company who was not a director or employee of the Affected Company prior to the Substantial Stock Accumulation, and who was previously a director or employee of the person or entity making the

Substantial Stock Accumulation (a "Tainted Director or Executive"), shall receive any of the following: (x) confidential information of the other Party and its Affiliates; and (y) confidential information of the collaboration, except that any such Tainted Director or Executive can be given information as to actual and projected sales and profits of the collaboration.

(ii) If the Party that is not affiliated with the Affected Company does not give notice pursuant to this Section 10.5, the Party affiliated with the Affected Company shall establish a procedure whereby no Tainted Director or Executive shall receive confidential information of the other Party and its Affiliates but need not place any restrictions on confidential or other information of the collaboration.

(iii) In the event of a material violation of this Section 10.5, the non-breaching Party may, without resort to the dispute resolution procedure set forth in Articles II and XI, bring an immediate court action or enjoin such violation and to recover any damages that it may have incurred by reasons of such violation.

10.6. DEFINITIONS.

(a) For purposes of this Agreement, a "Change in Control" of a company shall be deemed to have occurred in the event of (i) a merger, consolidation, reorganization, recapitalization, the purchase of substantially all of the company's assets, or other transaction in which or as result of which the common stock of the company, or a successor entity having the same ownership as the company, shall cease (except temporarily) to be a publicly traded security; or (ii) the acquisition by any individual, firm, corporation, or entity (other than any profit sharing or other employee benefit plan of the company or any Affiliate, or any employee or group of employees or former officers an/or directors of the company or its Affiliates) of beneficial ownership, directly or indirectly, of securities of the company representing more than [**********] of the combined voting power of the company's then outstanding voting securities. Notwithstanding the foregoing, for purposes of this Section 10.6(a), a Change in Control shall only be deemed to occur for Procter & Gamble if there is a Change in Control of The Procter & Gamble Company or Procter & Gamble Pharmaceuticals, Inc.

(b) A "Substantial Stock Accumulation" of a company shall be deemed to have occurred in the event of the accumulation by any individual, firm, corporation, or entity (other than any profit sharing or other employee benefit plan of the company or any Affiliate, or any employee or group of employees or former officers and/or directors of the company or its Affiliates) of beneficial ownership, directly or

indirectly, of securities of the company representing more than [**********] of the combined voting power of the company's then outstanding voting securities.

(c) Notwithstanding the foregoing in Sections 10.6(a) and (b), Leonard Schleifer, M.D., Ph.D., the present President and Chief Executive Officer of Regeneron, may increase his percentage of Regeneron's or Regeneron's Parent's combined voting power of its outstanding securities and no Substantial Stock Accumulation or Change in Control for Regeneron shall be deemed to have occurred. For the purposes of this Section 10.6(c), Dr. Schleifer's ownership of securities of Regeneron or Regeneron's Parent shall be deemed to be his direct or indirect ownership of capital shares or options to purchase such capital shares of Regeneron or Regeneron's Parent and the direct or indirect ownership of such shares by members of his family living in his household to the extent that Dr. Schleifer retains voting control, the power to exercise such options, and the right to dispose of such shares, and shall not include any other shares over which he does not possess Beneficial Ownership, as defined in the Securities and Exchange Act of 1934, as amended.

10.7. LICENSE FEE. The "License Fee" for purposes of Sections 10.4 and 10.5 shall be determined as follows:

(a) License Fee has two components: a Valuation (as defined herein) of the Parties' interest in the Agreement or J-V Agreement with respect to Compounds to which neither Party has Opted Out in total and a running royalty on Net Sales of any Compound for which neither Party has Opted Out, such rate and term being calculated as per Section 6.1 ("Running Royalty"). Each Party shall designate an investment banking firm of its choice, and each investment banking firm will be asked to prepare an appraisal as to the fair market value of the collaboration as a going concern that would be received in cash from a Third Party if a sale of the collaboration were made to a Third Party, taking into account any contractual obligation of either Party or its Affiliates to refrain from manufacturing or marketing a product competitive with the products in the Territory for any period, the value of the information, Patents and Know-how, and other assets being licensed and the potential market for such Compounds in the Territory ("Fair Market Value"). The Fair Market Value shall not include Compounds in specific countries or in the entire Territory for which either Party is an Opting Out Party, as such royalty shall continue to be governed pursuant to Section 6.1, regardless of a Change of Control. [**********The investment bankers will be asked to submit their Valuations within thirty (30) days after the Purchase Date as defined in Section 10.7(e). In the event of a Party's failure to

obtain an investment banking firm's Valuation within thirty (30) days after the Purchase Date, the Valuation will be the Valuation determined by the investment banking firm appointed by the other Party. An example of the operation of the License Fee is set forth in Attachment 10.7(a).

(b) If the difference between the lower Valuation and the higher Valuation is not more than [**********] of the higher Valuation, or if the Valuations are equal, the final Valuation shall be the average of the Valuations. If the difference between the [*********] Valuations is more than [**********] of the higher Valuation, the investment bankers will select a third investment banking firm from those known as major bracket investment banking firms, and that firm shall also prepare a Valuation. The third investment banking firm will not have access to the Valuations prepared by the other investment banking firms. The [**********] Valuations that are the closest in value then shall be averaged, and the resulting average shall be the final Valuation.

(c) The purchase of the interest shall thereafter be consummated by payment of the Valuation and the obligation to pay the Running Royalty within sixty (60) days after receipt of all investment bankers' valuations or such later date upon which all necessary regulatory approvals have been obtained and/or regulatory waiting periods have expired.

(d) The Party that sells its entire interest in the collaboration ("Seller") shall grant to the other Party ("Purchaser") an exclusive, royalty-free license in the Territory under Seller's Patents and Seller's Know-how to make, have made, use, import, offer for sale and sell Lead Compounds and Validated Targets and a non-exclusive, royalty-free license in the Territory under Seller's Patents and Seller's Know-how to make, have made, use, import, offer for sale and sell other Seller's Technology. "Seller's Patents," "Seller's Know-how" and "Seller's Technology" shall be Procter & Gamble or Regeneron Technology, Patents and Know-how, depending upon which Party is Seller.

(e) Each Party shall bear the expense of obtaining the Valuation of the investment bankers selected by such Party, and if a third investment banker is selected, the expense of obtaining its Valuation shall be borne equally by the Parties.

(f) Unless otherwise agreed in writing by the Parties, the License Fee for a license under Sections 10.4, 10.5 and 10.6 shall be calculated as of the date of the Electing Company's notice that it elects to exercise the Option under Sections 10.4 or 10.5 or the Purchasing Company's notice that it desires to license the interest of the Party affiliated with the Affected Company under Section 10.4 (such date shall be referred to as the "Purchase Date").

(g) During the pendency of the Option election and valuation process and any time period when the Parties are attempting to sell their interest to a Third Party pursuant

to Section 10.4(a)(i), the Parties shall continue to perform their customary activities under this Agreement or any J-V Agreement.

(h) Seller and Purchaser shall cooperate with each other in good faith to facilitate the transfer of the Seller's interest in the collaboration, including transferring Information relating to the collaboration to Purchaser, so as to minimize disruption to the business. As used in this Section, "Information" means any confidential information and trade secrets, including but not limited to information relating to inventions, disclosures, processes, systems, Know-how, methods, techniques, formulations, drawings, patents, patent applications, sales and marketing information, materials, services, research and development activities and plans, clinical studies, manufacturing information and regulatory filings.

ARTICLE XI - MISCELLANEOUS

11.1. FORCE MAJEURE. Neither Party shall lose any rights hereunder or be liable to the other Party for damages or loss on account of failure of performance by the Defaulting Party if the failure is occasioned by government action, war, fire, explosion, flood, strike, lockout, embargo, act of God, or any other similar cause beyond the reasonable control of the Defaulting Party, provided that the Party claiming force majeure has exerted all reasonable efforts to avoid or remedy such force majeure and given prompt notice to the other Party.

11.2. NOTICES. Any notices or communications provided for in this Agreement to be made by either of the Parties to the other shall be in writing, in English, and shall be made by prepaid air mail with return receipt addressed to the other at its address set forth above. Any such notice or communication may also be given by hand or facsimile to the appropriate designation with confirmation of receipt. Either Party may by like notice specify an address to which notices and communications shall thereafter be sent. Notices sent by mail shall be effective upon receipt; notices given by hand shall be effective when delivered.

Notices for Regeneron shall be sent to:

Regeneron Pharmaceuticals, Inc.
Attn: Corporate Secretary
777 Old Saw Mill River Road
Tarrytown, New York 10591-6707

With copy to:

Regeneron Pharmaceuticals, Inc.
Attn: General Counsel
777 Old Saw Mill River Road
Tarrytown, New York 10591-6707

Notices for Procter & Gamble shall be sent to:

Procter & Gamble Pharmaceuticals, Inc.
Attn: President
Health Care Research Center
8700 Mason-Montgomery Road
Mason, OH 45040

With copy to:

Procter & Gamble Pharmaceuticals, Inc.
Attn: Associate General Counsel-Patents
Health Care Research Center
8700 Mason-Montgomery Road
Mason, Ohio 45040

11.3. GOVERNING LAW. This Agreement shall be governed by the laws of the State of Delaware, as such laws are applied to contracts entered into and to be performed within such state. Any claim or controversy arising out of or related to this Agreement or any breach hereof shall be submitted to arbitration pursuant to Section 11.4. The United Nations Convention on Contracts for the International Sale of Goods will not apply to this Agreement.

11.4. ARBITRATION. Subject to Sections 2.8 and 10.5, disagreements under this Agreement shall be settled by arbitration in accordance with the commercial arbitration rules of the American Arbitration Association. The parties further agree that each such disagreement be submitted to a panel of three (3) impartial arbitrators with each Party selecting one (1) arbitrator within fifteen (15) days of a request for arbitration and the two (2) selected arbitrators selecting a third arbitrator who is experienced in the United States pharmaceutical industry within thirty (30) days after the request. Any arbitration hereunder shall commence within thirty (30) days after appointment of the third arbitrator and shall be held in Boston, Mass., U.S.A. Upon reasonable notice and prior to any hearing, the Parties will allow document discovery and will disclose all materials relevant

to the subject matter of the dispute. The arbitrators shall make final determinations as to any discovery disputes. The decision of the arbitrators shall be rendered no later than sixty (60) days after commencement of arbitration. The costs of arbitration shall be split by the parties unless the arbitrators decide otherwise. Any judgment or decision rendered by the panel shall be binding upon the Parties and shall be enforceable by any court of competent jurisdiction.

11.5. NON-WAIVER OF RIGHTS. Except as specifically provided for herein, the waiver from time to time by any of the parties of any of their rights or their failure to exercise any remedy shall not operate or be construed as a continuing waiver of same or of any other of such Party's rights or remedies provided in this Agreement.

11.6. SEVERABILITY. If any term, covenant, or condition of this Agreement or the application thereof to any Party or circumstance shall, to any extent, be held to be invalid or unenforceable, then (i) the remainder of this Agreement, or the application of such term, covenant or condition to Parties or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant, or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law and (ii) the Parties hereto covenant and agree to renegotiate any such term, covenant, or application thereof in good faith in order to provide a reasonably acceptable alternative to the term, covenant, or condition of this Agreement or the application thereof that is invalid or unenforceable, and in the event that the Parties are unable to agree upon a reasonably acceptable alternative, then the Parties agree that a submission to arbitration shall be made in accordance with Section 11.4 to establish an alternative to such invalid or unenforceable term, covenant, or condition of this Agreement or the application thereof, it being the intent that the basic purposes of this Agreement are to be effectuated.

11.7. ENTIRE AGREEMENT. This Agreement sets forth all the covenants, promises, agreements, warranties, representations, conditions, and understandings between the Parties hereto in the scope of the Collaboration , with the exception of any agreements by the Parties executed at an even date hereof, and supersedes and terminates all prior agreements and understanding between the parties under this Agreement. No subsequent alteration, amendment, change, or addition to this Agreement shall be binding upon the Parties hereto unless reduced to writing and signed by the respective authorized officers of the Parties.

11.8. SURVIVAL. Sections 2.2, 2.10, 5.3, 5.4, 8.1, and 8.2 shall survive the termination of this Agreement to the extent specified therein. Section 9.3 and any accrued obligations under this Agreement shall survive termination of this Agreement without limit as to time.

11.9. ASSIGNMENT.

(a) Procter & Gamble and Regeneron may assign any of their rights or obligations under this Agreement in any country of the Territory to any Affiliates; provided, however, that such assignment shall not relieve the assigning Party of its responsibility for performance of its obligations under this Agreement.

(b) The Parties recognize that each may perform some of its obligations hereunder through Affiliates; provided, however, that Procter & Gamble and Regeneron shall remain responsible and be guarantors of such performance by their Affiliates and shall cause their Affiliates to comply with the provisions of this Agreement in connection with such performance.

(c) Procter & Gamble and Regeneron may only assign their rights under this Agreement in any country of the Territory to a Third Party with written permission of the other Party, which permission will only be given at its sole discretion.

11.10. PUBLICITY.

(a) Procter & Gamble and Regeneron will jointly discuss, based on the principles of Section 11.10(b), any press releases and any other public statements regarding the execution and the subject matter of this Agreement, the research to be conducted under this Agreement or any other aspect of this Agreement, subject in each case to disclosure otherwise required by law or regulation.

(b) In the discussion and agreement of Section 11.10(a), the principles observed by Procter & Gamble and Regeneron will be accuracy, the requirements for confidentiality under Article VIII, the advantage a competitor of Procter & Gamble or Regeneron may gain from any statement under Section 11.10(a), the requirements of disclosure under any securities laws or regulations of the United States, including those associated with SEC and regulatory filings and public offerings, the restrictions imposed by the Federal Food, Drug and Cosmetic Act, and the standards and customs in the pharmaceutical industry for such disclosures by companies comparable to Procter & Gamble and Regeneron.

11.11. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one in the same instrument.

11.12. NO SOLICITATION. During the Term of this Agreement, the Parties shall not directly or indirectly solicit the other Party's employees for employment or other consulting arrangements.

ARTICLE XII - EXECUTION

12.1. In witness whereof the Parties have executed this Agreement in duplicate originals by their proper officers as of the date and year first written above.

The Procter & Gamble Company

By:

Mark Collar
Vice President - Pharmaceuticals

Regeneron Pharmaceuticals, Inc.

By:

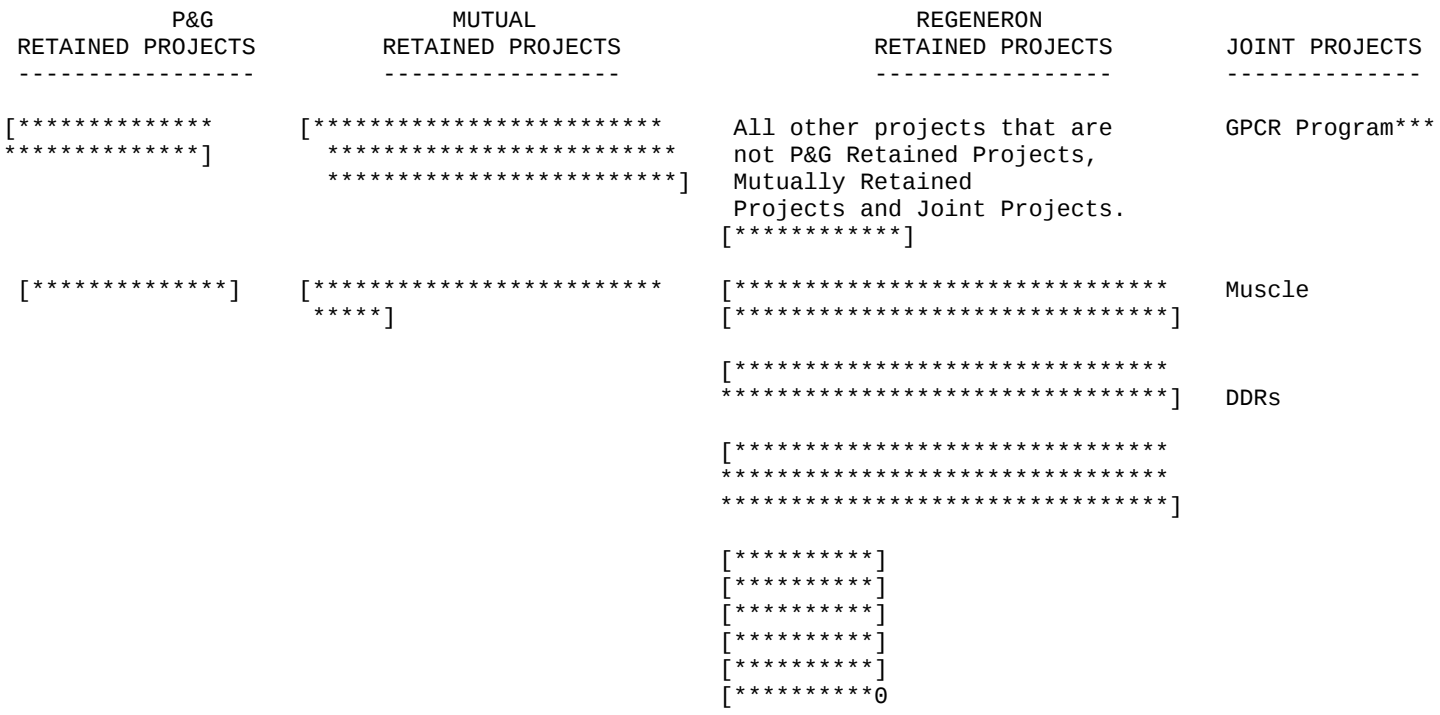
Leonard S. Schleifer, M.D., Ph.D.
President and Chief Executive Officer

ATTACHMENT 1.14(a) EXAMPLES OF REGENERON EXCLUDED TECHNOLOGY

[**********
****
****
****
****
**********:
****
****
****
****
****
****
****
****
****
****
****
****
**********]

[******]
[******]
[******]
[******]
[******]
[******]
[******]
[******]
[******]
[******]
[******]
[******]

ATTACHMENT 2.2(c) MULTI-PROJECT COLLABORATION AGREEMENT PROJECT DIVISION



* Ab = antibody based therapeutic, SM = small molecule based therapeutic

**Includes those GPCRs not identified in Attachment 1.21 and the Returned GPCRs, if any.

***Includes the GPCRs identified in Attachment 1.21 with the exception of the Returned GPCRs, if any.

ATTACHMENT 2.2(g)(i)
[**********]

PG Number	PG Number	PG Number	PG Number	PG Number	PG Number	PG Number	PG Number

[******************]

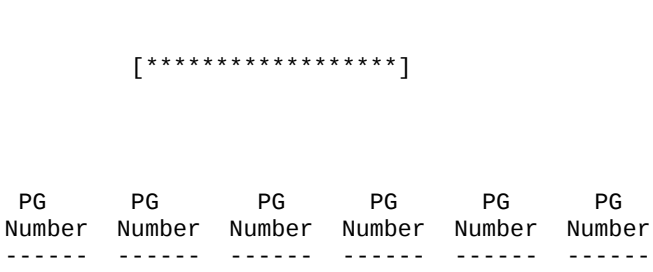
PG Number	PG Number	PG Number

[***************]

PG NUMBER	PG NUMBER	PG NUMBER	PG NUMBER	PG NUMBER	PG NUMBER	PG NUMBER

[**************************]

PG Number	PG Number	PG Number	PG Number	PG Number	PG Number	PG Number	PG Number


[******************]
PG Number
PG Number
PG Number
PG Number
PG Number
PG Number

[**********]

PG Number	PG Number	PG Number	PG Number	PG Number	PG Number

[***************]

PG Number	PG Number	PG Number	PG Number	PG Number	PG Number	PG Number
------	------	------	------	------	------	------

ATTACHMENT 2.2(g)(ii)

[**********]

PG Number	PG Number	PG Number	PG Number

ATTACHMENT 2.5(a)
INITIAL MEMBERS OF THE OPERATING COMMITTEE

From Regeneron:

[**********]
[**********]

From Procter & Gamble:

[**********]
[**********]

ATTACHMENT 2.5(b)
INITIAL MEMBERS OF THE PROGRAM COMMITTEE

From Regeneron:

[**********].
[**********]
[**********]

From Procter & Gamble:

[**********]
[**********]
[**********]

ATTACHMENT 2.5(c)
INITIAL MEMBERS OF THE DEVELOPMENT COMMITTEE

From Regeneron:

[**********]

From Procter & Gamble:

[**********]

ATTACHMENT 3.1
TIMING AND CALCULATION OF RESEARCH AND/OR PRODUCT PLAN BUDGETS

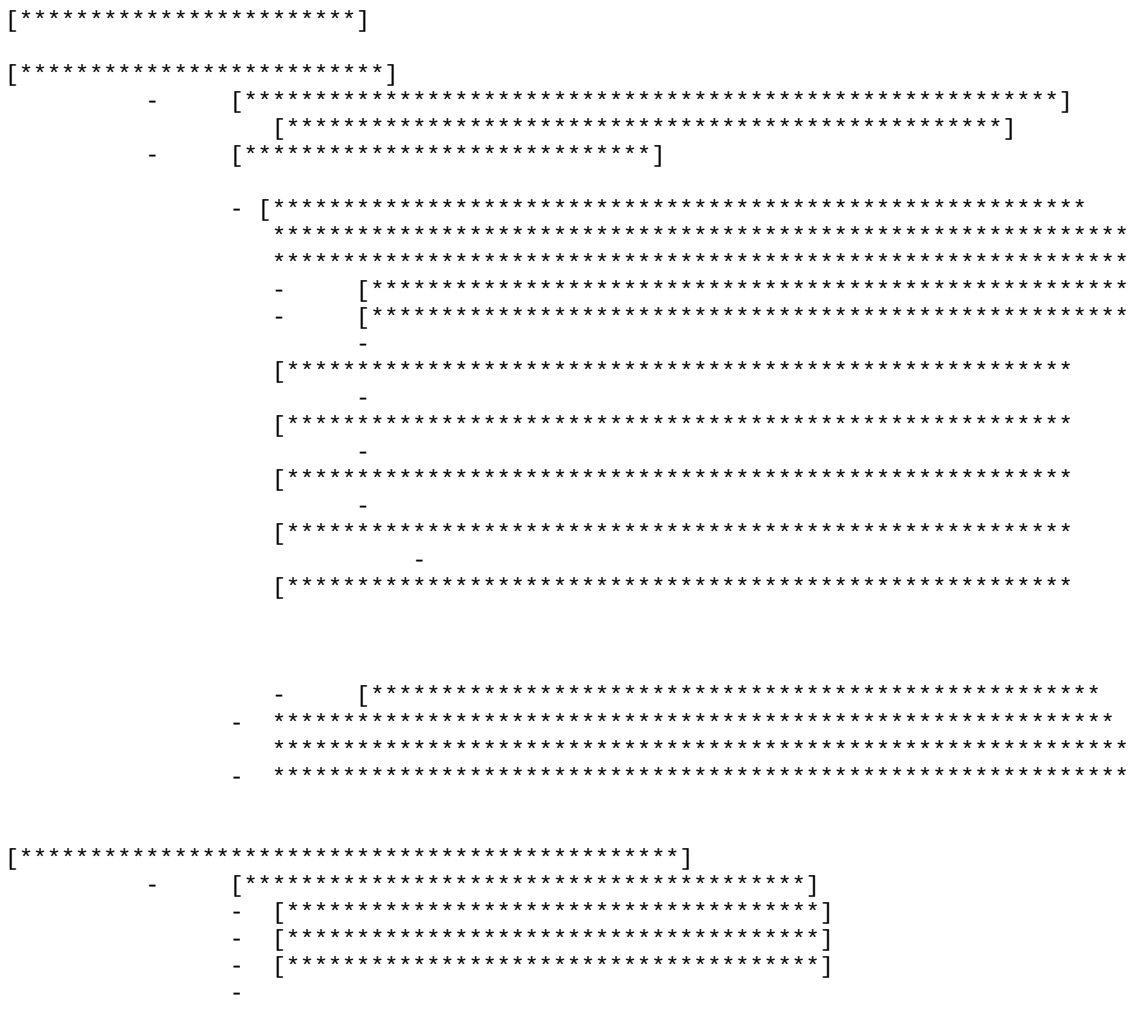
BUDGET PROCESS

1) [**********]
- [**********]
- [**********]
- [**********]
- [**********]

2) [**********]
- [**********]
- [**********]
- [**********]
- [**********]

3) [**********]
- [**********].
- [**********]
- [**********]
- [**********]

If a quarterly budget projection exceeds [*****] of the target quarterly spending budget, the matter will be referred to the OC for approval / non-approval of change in budget



ATTACHMENT 3.2 INFLATION PAYMENT ADJUSTMENT

[*********]

[****************** ******]
[****************** ******]
[****************** ******]

[**]
[**]

[**]

[***************]

[**]
[**]

ATTACHMENT 3.2(b)(3)
EXPENSES INCLUDED IN THE REGENERON RESEARCH FTE RATE

- - [**********]

- - [**********]

- - [**********]

- - [**********]

- - [**********]

- - [**********]

- - [**********]

- - [**********]

- - [**********]

- - [**********]

- - [**********]

- - [**********]

ATTACHMENT 3.3

[**********]

- - [**********]
[**********]

- - [**********]

- - [**********]

- - [**********]

[**********]

- - [**********]

- - [**********]

- - [**********]

- - [**********]

- - [**********].

- - [**********].

- - [**********].

- - [**********].

ATTACHMENT 6.1(b)
EACH PARTY'S SHARE OF ROYALTIES OR OTHER INCOME
WHEN BOTH PARTIES OPT OUT

PARTY A'S ROYALTY RATE AS AN OPTING OUT PARTY	PARTY A'S SHARE OF ROYALTIES OR OTHER INCOME	PARTY B'S ROYALTY RATE AS AN OPTING OUT PARTY	PARTY B'S SHARE OF ROYALTIES OR OTHER INCOME

ATTACHMENT 9.1(b) THIRD PARTY AGREEMENTS RELATING TO EXCLUDED TECHNOLOGY

Technology Development Agreement dated as of March 20, 1989, between Sumitomo Chemical Company, Limited and Regeneron Pharmaceuticals, Inc.

Collaboration Agreement dated as of August 31, 1990, between Amgen Inc. and Regeneron Pharmaceuticals, Inc.

Collaboration Agreement dated as of July 22, 1993, between Glaxo Group Limited and Regeneron Pharmaceuticals, Inc.

Research Development Agreement dated as of June 2, 1994, between Sumitomo Pharmaceuticals Company, Ltd., and Regeneron Pharmaceuticals, Inc.

Collaboration Agreement dated as of October 9, 1996, between Pharmacopeia, Inc., and Regeneron Pharmaceuticals, Inc.

Collaborative Development Agreement dated as of June 27, 1996, between Medtronic, Inc. and Regeneron Pharmaceuticals, Inc.

Memorandum of Understanding of an Agreement dated March 9,2000 between Medarex Inc. and Regeneron Pharmaceuticals, Inc.

ATTACHMENT 10.7(a)
EXAMPLE OF LICENSE FEE OPERATION

SCENARIO	LICENSE FEE OPERATION

EXHIBIT 10.23

IL-1 LICENSE AGREEMENT

THIS LICENSE AGREEMENT dated this 26th day of June, 2002 by and among Regeneron Pharmaceuticals, Inc., a New York corporation with principal offices located at 777 Old Saw Mill River Road, Tarrytown, New York 10591-6707 ("Regeneron"), Immunex Corporation, a Washington corporation with principal offices located at 51 University Street, Seattle, Washington 98101 ("Immunex") and Amgen Inc., a Delaware corporation with principal offices located at One Amgen Center Drive, Thousand Oaks, California 91320-1799 (hereinafter referred to as "Amgen").

WITNESSETH:

WHEREAS, Regeneron is engaged in the research, development and commercialization of human pharmaceutical products, including those certain molecules in development known as the IL-1 Trap;

WHEREAS, Immunex controls, and has the right to grant rights under, certain patent rights relating to soluble IL-1 receptor proteins and is the exclusive licensee of certain rights in, and has the right to grant sublicenses under, certain patent rights relating to soluble IL-1 receptor proteins; and

WHEREAS, Amgen controls, and has the right to grant rights under, certain patent rights relating to soluble IL-1 receptor proteins;

WHEREAS, the Federal Trade Commission staff has raised the concern that the proposed merger between Amgen and Immunex is likely to produce anticompetitive effects in an alleged IL-1 inhibitor market, which would not be in the public interest, including, but not limited to, increasing the barriers of entry into such market by the combination of Amgen's and Immunex's IL-1 inhibitor patent portfolios; and

WHEREAS, in order to resolve the concerns raised by the Federal Trade Commission staff in the alleged IL-1 inhibitor market, Amgen and Immunex have agreed to grant certain rights under their respective patents to Regeneron to permit Regeneron to commercialize such IL-1 Trap product and certain follow-on IL-1 Trap products.

NOW THEREFORE, in consideration of the foregoing and the covenants and promises contained in this Agreement, the Parties agree as follows:

ARTICLE 1

DEFINITIONS

1.1 "AFFILIATE" shall mean a corporation or other business entity controlled by, controlling, or under common control with a Party. For this purpose, control shall mean the direct or indirect ownership of more than fifty percent (50%) of the voting stock or at least fifty percent (50%) interest in the income of such corporation or other business.

1.2 "AFTER-ACQUIRED PATENT RIGHTS" shall mean any Patent Rights which come to be exclusively Controlled, in whole or part, by Amgen or Immunex (or, in either case, any of its Affiliates) after the Effective Date, by license or acquisition from a Third Party after the Effective Date, and which contain one or more issued and enforceable claims that would be infringed by the making, having made, using, offering for sale, selling or importing of a Licensed Product. It is contemplated that After-Acquired Patent Rights can be acquired from a Third Party possessing such Patent Rights through (x) a license agreement with such Third Party, (y) the outright purchase of Patent Rights from such Third Party or (z) due to a merger with a Third Party or acquisition of either voting control or substantially all of the stock or assets of a Third Party Controlling through ownership or exclusive license such Patent Rights.

1.3 "AGREEMENT" shall mean this License Agreement.

1.4 "AMGEN COMBINATION PRODUCT CLAIMS" shall mean, within Amgen Patent Rights, composition of matter, article of manufacture and/or method of use claims specifically requiring at least two (2) components with one recited component being directed to or otherwise covering an interleukin-1 binding molecule and the other recited component being directed to or otherwise covering an Other Molecule(s). For the avoidance of doubt, Amgen Combination Product Claims shall exclude any composition of matter, article of manufacture or method of use claim not requiring both a component being directed to or otherwise covering an interleukin-1 binding molecule and a component being directed to or otherwise covering an Other Molecule(s).

1.5 "AMGEN LICENSED PATENT RIGHTS" shall mean, to the extent Controlled by Amgen or any of its Affiliates: (i) the patent applications and patents listed on Exhibit A; (ii) all national, regional and international patent applications filed either from such patent applications or priority applications or from an application claiming priority from either of these, including, without limitation, divisionals, continuations, continuations-in-part, provisionals, converted provisional, continued prosecution application; (iii) any and all patents that have issued (including those set forth in Exhibit A) or in the future issue from the foregoing patent applications, including, without limitation, utility, model and design patents and certificates of invention; and (iv) any and all extensions or restorations by existing or future extension or restoration mechanisms, including without limitation, substitutions, re-examinations, revalidations, reissues, renewals, extensions (including any supplementary protection certificate) or any confirmation patent or registration patent or patent of additions to any such foregoing patent applications and patents. For the avoidance of doubt, After-Acquired Patent Rights are not included in the definition of Amgen Licensed Patent Rights.

1.6 "AMGEN PATENT RIGHTS" shall mean all Patent Rights which are Controlled by Amgen or any of its Affiliates and any After-Acquired Patent Rights included by operation of Section 2.4(b). For the avoidance of doubt, Amgen Patent Rights shall include Amgen Licensed Patent Rights.

1.7 "AVENTIS CONSENT AND AGREEMENT" shall mean a fully executed "Consent and Agreement" by and between Aventis and Immunex, in substantially the form attached hereto as Exhibit B. The fully executed Aventis Consent and Agreement may vary from the form attached as Exhibit B as mutually acceptable to Immunex and Regeneron, as affirmed in writing by Immunex and Regeneron.

1.8 "AVENTIS PASS-THROUGH ROYALTY" shall mean [**********].

1.9 "CONFIDENTIAL INFORMATION" shall mean (a) any information of any Party disclosed to the other Party pursuant to this Agreement, which, if written, is marked confidential by the disclosing Party or, if oral or by demonstration, is reduced to writing, marked confidential by the disclosing Party, and provided to a non-disclosing Party within thirty (30) days of the oral disclosure or demonstration, (b) all information relating to the filing, prosecution, maintenance, defense or enforcement of the Immunex Patent Rights or the Amgen Patent Rights and (c) Regeneron's Net Sales.

1.10 "CONTROL" or "CONTROLLED" shall mean with respect to any Patent Right, in each case the possession (whether by ownership, license or other right) by Immunex or Amgen, as the case may be, or any of their Affiliates, of the ability to grant to Regeneron rights as provided herein in either Sections 2.1, 2.3 or 2.4, as the case may be, without violating the terms of any written agreement with any Third Party.

1.11 "CO-PROMOTER/CO-MARKETER" shall mean a Third Party contracted with by Regeneron, its Affiliates or Sublicensees to engage in a part of the promotion, marketing, detailing, sampling, distributing, and/or selling of any Licensed Products. For purposes of this Agreement, a Co-Promoter/Co-Marketer shall be permitted to conduct or sponsor post-approval clinical studies (in an approved indication, but not necessarily for an approved use) with respect to a Licensed Product. A Co-Promoter/Co-Marketer shall not be permitted to perform any part of the pre-approval development of any indication of a Licensed Product, nor perform any part of the bulk substance manufacturing of any Licensed Product.

1.12 "DEFAULT" shall mean with respect to a Party (i) that any representation or warranty of such Party set forth herein shall have been untrue in any material respect when made and/or (ii) such Party shall have failed to perform any material obligation set forth herein; provided however, that such Party shall have not brought such representation or warranty into conformance with such representation or warranty or shall not have performed such material obligation, within sixty (60) days after receipt of written notice from Regeneron (in the case of Immunex and/or Amgen) and Immunex and/or Amgen (in the case of Regeneron) specifying in detail the material obligation which has not been performed and requesting that the failure to be remedied. (In those instances where it is not possible for a Party to perform

a material obligation or bring a representation or warranty into conformance within 60 days after receipt of such written notice, such Party shall have satisfied its obligations to bring its representation or warranty into conformance and/or to perform its material obligation and thus avoid Default by commencing substantial remedial action within sixty (60) days after receipt of the written notice, pursuing such remedial action with reasonable diligence and completing such remedial action within one hundred twenty (120) after receipt of the written notice.) For Regeneron, a "material obligation" as used above shall be limited to [**********]. For the avoidance of doubt, no act or failure to act by any Sublicensee or any other Third Party shall be considered a Default on the part of Regeneron; provided however, this sentence shall not be interpreted to relieve Regeneron (on behalf of itself, its Affiliates or its Sublicensees) of any of its obligations to Amgen or Immunex as set forth in this Agreement. Without limiting the foregoing, if any Sublicensee shall engage in any activity described in Section 10.16 of the Agreement, the specific provisions of Section 10.16 as they apply to the actions of the Sublicensee shall apply, and such action by the Sublicensee in violation of the covenant in Section 10.16 shall not be considered a Default on the part of Regeneron.

1.13 "EFFECTIVE DATE" shall mean the date the Merger is consummated by filing articles of merger related to the Merger with the Secretary of State of the State of Washington.

1.14 "FIELD OF USE" shall mean all uses of Licensed Product(s).

1.15 "FIRST COMMERCIAL SALE" shall mean the initial transfer of commercial quantities of Licensed Product to a Third Party following approval of the Biologics License Application (or foreign equivalent) in exchange for cash or some equivalent to which value can be assigned for purposes of determining Net Sales.

1.16 "FORCE MAJEURE" shall mean any occurrence beyond the reasonable control of a Party that prevents or substantially interferes with the performance by a Party of any of its obligations hereunder, if and only if the Party affected shall have used reasonable efforts to avoid such occurrence and to remedy it promptly if it shall have occurred.

1.17 "GRANT COMMENCEMENT DATE" shall mean the later of (i) the Effective Date and (ii) the date on which Immunex and Aventis have fully executed the Aventis Consent and Agreement.

1.18 "IMMUNEX COMBINATION PRODUCT CLAIMS" shall mean, within Immunex Patent Rights, composition of matter, article of manufacture and/or method of use claims specifically requiring at least two (2) components with one recited component being directed to or otherwise covering an interleukin-1 binding molecule and the other recited component being directed to or otherwise covering an Other Molecule(s)). For the avoidance of doubt, Immunex Combination Product Claims shall exclude any composition of matter, article of manufacture or use claim not requiring both a component being directed to or otherwise covering an interleukin-1 binding molecule and a component being directed to or otherwise covering an Other Molecule(s).

1.19 "IMMUNEX-HOECHST RECEPTOR AGREEMENT" shall mean that certain Receptor Agreement dated April 6, 1998 by and between Immunex Corporation and Hoechst Marion Roussel Deutschland GmbH, as the same may be amended from time to time, including, without limitation, as modified by the Aventis Consent and Agreement.

1.20 "IMMUNEX-HOECHST PATENT RIGHTS" shall mean, to the extent Controlled by Immunex, the "Behringwerke Receptor Patent Rights" as that term is defined in the Immunex-Hoechst Receptor Agreement. A list of the Immunex-Hoechst Patent Rights existing as of the Effective Date is set forth in Exhibit C.

1.21 "IMMUNEX LICENSED PATENT RIGHTS" shall mean, collectively, the Immunex IL-1r Patent Rights and the Immunex-Hoechst Patent Rights. For the avoidance of doubt, After-Acquired Patent Rights are not included in the definition of Immunex Licensed Patent Rights.

1.22 "IMMUNEX IL-1R PATENT RIGHTS" shall mean, to the extent Controlled by Immunex or any of its Affiliates: (i) the patent applications and patents listed on Exhibit D; (ii) all national, regional and international patent applications filed either from such patent applications or priority applications or from an application claiming priority from either of these, including, without limitation, divisionals, continuations, continuations-in-part, provisionals, converted provisional, continued prosecution application; (iii) any and all patents that have issued (including those set forth in Exhibit D) or in the future issue from the foregoing patent applications, including, without limitation, utility, model and design patents and certificates of invention; and (iv) any and all extensions or restorations by existing or future extension or restoration mechanisms, including without limitation, substitutions, re-examinations, revalidations, reissues, renewals, extensions (including any supplementary protection certificate) or any confirmation patent or registration patent or patent of additions to any such foregoing patent applications and patents.

1.23 "IMMUNEX PATENT RIGHTS" shall mean all Patent Rights which are Controlled by Immunex, or any of its Affiliates and any After-Acquired Patent Rights included by operation of Section 2.3(b). For the avoidance of doubt, Immunex Patent Rights shall include Immunex Licensed Patent Rights.

1.24 "INTERLEUKIN-1 RECEPTOR" shall mean, [**********].

1.25 "LICENSED PRODUCT(S)" shall mean a molecule, or gene encoding a molecule, comprising (i) all or an interleukin-1 binding portion of the amino acid sequence for [**********]; and (ii) [**********]. For the avoidance of doubt, a Licensed Product may be a [**********]. For the further avoidance of doubt, the TRAP Product shall be included within the definition of Licensed Product. [**********].

1.26 "LOSSES" shall mean liabilities, costs, settlements, damages, expenses and/or losses, including reasonable attorneys' fees, except as set forth in Section 7.1(c).

1.27 "MERGER" shall mean the merger between AMS Acquisition Inc. (a Washington corporation and wholly owned subsidiary of Amgen) and Immunex as contemplated in the Amended and Restated Agreement and Plan of Merger by and among Amgen Inc., AMS Acquisition Inc. and Immunex Corporation dated as of December 16, 2001 (or any other means of effecting the merger between Amgen and Immunex).

1.28 "NET SALES" shall mean [**********].

1.29 "OTHER MOLECULE(S)" shall mean any active ingredient or finished product containing an active ingredient (or class of active ingredient(s) or finished product(s) containing an active ingredient(s)) that is not a Licensed Product (e.g. a TNF inhibitor).

1.30 "PARTY" shall mean Amgen, Immunex or Regeneron, as the case may be, and "PARTIES" shall mean Amgen, Immunex and Regeneron, collectively.

1.31 "PATENT RIGHTS" shall mean all pending patent applications and issued patents, in each case as of the Effective Date; and, solely with respect to the subject matter contained in such patent applications and issued patents, (i) all national, regional and international patent applications filed either from such patent applications or priority applications or from an application claiming priority from either of these, including, without limitation, divisionals, continuations, continuations-in-part, provisionals, converted provisional, continued prosecution application, (ii) any and all patents that have issued or in the future issue from the foregoing patent applications, including, without limitation, utility, model and design patents and certificates of invention, and (iii) any and all extensions or restorations by existing or future extension or restoration mechanisms, including without limitation, substitutions, re-examinations, revalidations, reissues, renewals, extensions (including any supplementary protection certificate) or any confirmation patent or registration patent or patent of additions to any such foregoing patent applications and patents.

1.32 "PERSON" shall mean an individual, a partnership, a joint venture, a corporation, a trust, an estate, an unincorporated organization, or any other entity, or a government or any department or agency thereof.

1.33 "PROMOTE", as used in Section 2.3(a) and Section 2.4(a), shall mean any activity in connection with the promotion, marketing and/or detailing of a product. For the avoidance of doubt, the making and/or actual selling and/or distribution of a product shall not be included within the definition of Promote.

1.34 "SUBLICENSEE" shall mean a Third Party to whom Regeneron has granted a sublicense pursuant to Section 2.2.

1.35 "TERRITORY" shall mean all countries of the world.

1.36 "THIRD PARTY" shall mean any Person other than Amgen, Immunex, Regeneron, and their respective Affiliates.

1.37 "TRAP PRODUCT" shall mean a molecule comprising (i) [**********]; and (ii) all or a portion (which portion must, together with the polypeptide having the sequence referenced in subsection (i) above, participate in the binding of interleukin-1) of the interleukin-1 accessory protein as described by [**********]; wherein the molecule is capable of binding interleukin-1. By way of example, TRAP Products shall include the product identified [**********]. For avoidance of doubt, TRAP Product is included within the definition of Licensed Product. [**********].

ARTICLE 2

GRANT OF RIGHTS

2.1 GRANT TO REGENERON.

(a) On the terms and conditions set forth herein, Immunex hereby grants to Regeneron and its Affiliates a non-exclusive license, with a limited right to grant sublicenses solely pursuant to Section 2.2 herein, under the Immunex Licensed Patent Rights to make, have made, use, sell, offer for sale and import Licensed Products in the Field of Use anywhere in the Territory.

(b) On the terms and conditions set forth herein, Amgen hereby grants to Regeneron and its Affiliates a non-exclusive license, with a limited right to grant sublicenses solely pursuant to Section 2.2 herein, under the Amgen Licensed Patent Rights to make, have made, use, sell, offer for sale and import Licensed Products in the Field of Use anywhere in the Territory.

2.2 SUBLICENSES. Regeneron shall have the limited right to grant sublicenses under the rights granted under Sections 2.1(a) and 2.1(b) on a country by country basis, to [**********]. For the avoidance of doubt, [**********] shall not be considered a Sublicensee for purposes of this Section 2.2. Regeneron acknowledges and agrees that any sublicense granted pursuant to this Section 2.2 shall be consistent with, and expressly subject to, the covenants, terms and conditions set forth in this Agreement, and shall terminate upon termination of this Agreement. Regeneron, its Affiliates and each Sublicensee shall each be permitted to engage the services of one or more Co-Promoters/Co-Marketers in any country in the Territory. For the avoidance of doubt, in addition to the sublicensing rights set forth in this Section 2.2, Regeneron and its Affiliates shall have the right to engage the services of a contract sales force in any country in the Territory and such service providers shall not be considered Sublicensees for purposes of this Section 2.2. [**********]. Regeneron agrees to remain liable for the obligations, including the payment of royalties, of each Sublicensee as required pursuant to this Agreement; provided that no act or failure to act by any Sublicensee can be considered a Default on the part of Regeneron (but Regeneron shall remain liable for its obligations (and the obligations of its Affiliates and each Sublicensee) to Amgen or Immunex under this Agreement).

2.3 IMMUNEX COVENANT NOT TO SUE.

(a) Neither Immunex nor any of its Affiliates shall ever, anywhere in the world, institute or prosecute (or in any way aid any Third Party in instituting or prosecuting), at law or in equity, any claim, demand, action or cause of action for damages, costs, expenses or compensation, or for an enjoinment, injunction, or any other equitable remedy, against Regeneron, its Affiliates, Sublicensees, suppliers, distributors, Co-Promoters/Co-Marketers, vendors or customers alleging the infringement of any Immunex Patent Rights in its making, having made, using, selling, offering to sell, or importing of (i) any Licensed Product, or (ii) any product which includes or incorporates a Licensed Product in any manner to the extent that the alleged infringement is based on the manufacture, use, sale, offer to sell, or importation of the Licensed Product or Licensed Product portion in such product.

Pursuant to this covenant, Regeneron, its Affiliates, Sublicensees, suppliers, distributors, Co-Promoters/Co-Marketers, vendors or customers may, under Immunex Patent Rights, make, have made, use, sell, offer to sell or import any Licensed Product in combination with an Other Molecule(s). Notwithstanding the foregoing, if the making, having made, using, offering to sell, selling or importing of an Other Molecule(s) would infringe any claim within the Immunex Patent Rights, other than in any Immunex Combination Product Claims, Regeneron, its Affiliates, Sublicensees, suppliers, distributors, Co-Promoters/Co-Marketers, vendors or customers shall have no right under such claims to make, have made, use, offer to sell, sell or import such Other Molecule(s), except that Regeneron, its Affiliates, Sublicensees and Co-Promoters/Co-Marketers shall have the right under all Immunex Patent Rights solely to pre-clinically and clinically test and to Promote the combination use of such Other Molecule(s) with the Licensed Product.

Immunex further covenants and agrees that, in the event Immunex or its Affiliate grants or transfers any rights under any Immunex Patent Rights which, Immunex in good faith believes is reasonably likely to be subject to this covenant, to any Third Party, such grant or transfer of rights shall be only upon the condition that the Third Party agrees, in writing, to grant Regeneron, its Affiliates, Sublicensees, suppliers, distributors, Co-Promoters/Co-Marketers, vendors and customers immunity from suit as set forth in this Section 2.3(a) and agrees to Regeneron being a third party beneficiary under such grant or transfer to the extent it relates to such immunity from suit. For the avoidance of doubt, subject to Section 8.3, the preceding sentence shall not operate to require Immunex or its Affiliates to maintain or renew any Third Party agreement pursuant to which it currently has Control of any Immunex Patent Rights; subject to Section 8.3, the reversion of rights to the original possessor thereof upon such failure to maintain or renew such Third Party agreement shall not be considered a grant or transfer that is subject to the requirements of the first sentence of this paragraph, unless such reversion is the result of a new agreement with such Third Party pursuant to which such Third Party pays consideration to Immunex or its Affiliates in connection with the reversion.

(b) In the event that Immunex or any of its Affiliates comes to Control After-Acquired Patent Rights, Immunex (on its own behalf and on behalf of its Affiliates)

covenants to use good faith efforts to obtain, as part of its "Control", the right to grant to Regeneron those rights obtainable on the following conditions and Regeneron shall have the right to include such After-Acquired Patent Rights within the definition of Immunex Patent Rights solely on the following conditions:

(i) At any time following Immunex or any of its Affiliates coming to Control any After-Acquired Patent Rights, either Immunex or Regeneron may provide written notice to the other that such After-Acquired Patents Rights are to be considered for inclusion within the definition of the Immunex Patent Rights ("Initial Notice"). Regardless of which Party provides the Initial Notice, within thirty (30) days after such Initial Notice, Immunex shall provide to Regeneron a description of the relevant circumstances related to the acquisition of the After-Acquired Patent Rights, and shall inform Regeneron of the consequent consideration required for Regeneron to include such After-Acquired Patent Rights (the "Offered After-Acquired Patent Rights") within the definition of Immunex Patent Rights, as set forth below and in Exhibit E, attached hereto. Such notice (the "Offering Notice") shall include (a) complete copies of any patents included in such Offered After-Acquired Patent Rights, and [**********]. Immunex shall use all reasonable efforts to obtain any necessary consents from the relevant Third Party to permit the disclosure to Regeneron of the information required in the Offering Notice. Immunex shall be required to respond promptly to all reasonable questions raised by Regeneron in connection with Regeneron's review of the Offered After-Acquired Patent Rights and the contractual provisions. Regeneron shall have the right, within ninety (90) days after receipt of such notice, to notify Immunex in writing whether Regeneron elects to include such patents in the Immunex Patent Rights, and [**********]. Upon such election, the Offered After-Acquired Patent Rights shall thereafter be included in the definition of Immunex Patent Rights; if Regeneron elects not to agree to such consideration with respect to the Offered After-Acquired Patent Rights, or fails to timely make its election, any such Offered After-Acquired Patent Rights shall continue to be excluded from the definition of Immunex Patent Rights. Regeneron shall have the right to terminate its license for any After-Acquired Patent Rights on thirty (30) days prior written notice signed by a duly authorized officer of Regeneron; the effect of such termination shall be that such After-Acquired Patent Rights shall thereafter be excluded from the definition of Immunex Patent Rights. For the avoidance of doubt, each After-Acquired Patent Right (or set of rights) is only subject to the Regeneron option for inclusion set forth in this subsection on one occasion; that is, if Regeneron elects not to agree to include Offered After-Acquired Patent Rights within the Immunex Patent Rights (or fails to timely make such election) following the Offering Notice with respect to such Offered After-Acquired Patent Rights, Regeneron shall not have the option to later include those same Offered After-Acquired Patent Rights within the Immunex Patent Rights. For the avoidance of doubt, the rejection of a particular patent or claim offered as an Offered After-Acquired Patent Right under this Section shall not operate to limit Regeneron's rights with respect to any other issued patents or claims that were not offered as Offered After-Acquired Patent Rights, even if such patent or claims which were not offered were obtained from the same Third Party, or pursuant to the same Third Party Agreement, as the Offered After-Acquired Patent Rights which were rejected.

For the avoidance of doubt, any intellectual property rights acquired by Immunex after the Effective Date (such that Immunex's or its Affiliate's rights to the applicable

patents and/or patent applications first arise after the Effective Date) shall be excluded from the definition of Immunex Patent Rights unless meeting the definition of After-Acquired Patent Rights and specifically included by operation of this Section 2.3(b).

[**********]

[**********]

[**********]

For the avoidance of doubt, each distinct time Immunex obtains Control of After-Acquired Patent Rights, this Section 2.3(b) [**********] shall operate. All After-Acquired Patent Rights obtained in one transaction (or series of related transactions) from one Third Party shall be considered a set, and this Section 2.3(b) [**********) shall apply only once to such a set of After-Acquired Patent Rights, regardless of how many patents or patent applications are acquired in that one transaction (or series of related transactions).

(c) Notwithstanding 2.3(a) above, [**********], Immunex shall provide reasonably timely notice to Regeneron of the Third Party obligation with respect to any such patent. Such notice (the "Offering Notice") shall include (a) complete copies of any patents included in such Pass-Through Patent Rights, and [**********]. Immunex shall use all reasonable efforts to obtain any necessary consents from the relevant Third Party to permit the disclosure to Regeneron of the information required in the notice contemplated herein. Immunex shall be required to respond promptly to all reasonable questions raised by Regeneron in connection with Regeneron's review of the Pass-Through Patent Rights and the contractual provisions. Regeneron shall have the right, [**********]. Upon such election, the Pass-Through Patent Rights shall thereafter be included in the definition of Immunex Patent Rights; if Regeneron elects not to accept such obligation with respect to any patent or fails to timely make its election, any such patent shall be excluded from the definition of Immunex Patent Rights. Regeneron shall have the right to terminate its license of any Pass-Through Patent Rights on thirty (30) days prior written notice signed by a duly authorized officer of Regeneron. For the avoidance of doubt, each Pass-Through Patent Right (or set of rights) is only subject to the Regeneron option for inclusion set forth in this subsection on one occasion; that is, if Regeneron elects not to agree to include Pass-Through Patent Rights within the Immunex Patent Rights (or fails to timely make such election) following the Offering Notice with respect to such Pass-Through Patent Rights, Regeneron shall not have the option to later include those same Pass-Through Patent Rights within the Immunex Patent Rights.

This Section 2.3(c) shall not apply with respect to [**********].

(d) For the avoidance of doubt, the covenants set forth in Section 2.3(a) above shall terminate upon the termination of this Agreement, including, without limitation, any termination arising from the breach of this Agreement by Regeneron.

2.4 AMGEN COVENANT NOT TO SUE.

(a) Neither Amgen nor any of its Affiliates shall ever, anywhere in the world, institute or prosecute (or in any way aid any Third Party in instituting or prosecuting), at law or in equity, any claim, demand, action or cause of action for damages, costs, expenses or compensation, or for an enjoinment, injunction, or any other equitable remedy, against Regeneron, its Affiliates, Sublicensees, suppliers, distributors, Co-Promoters/Co-Marketers, vendors or customers alleging the infringement of any Amgen Patent Rights in its making, having made, using, selling, offering to sell, or importing of (i) any Licensed Product, or (ii) any product which includes or incorporates a Licensed Product in any manner to the extent that the alleged infringement is based on the manufacture, use, sale, offer to sell, or importation of the Licensed Product or Licensed Product portion in such product.

Pursuant to this covenant, Regeneron, its Affiliates, Sublicensees, suppliers, distributors, Co-Promoters/Co-Marketers, vendors or customers may, under Amgen Patent Rights, make, have made, use, sell, offer to sell or import any Licensed Product in combination with an Other Molecule(s). Notwithstanding the foregoing, if the making, having made, using, offering to sell, selling or importing of an Other Molecule(s) would infringe any claim within the Amgen Patent Rights, other than in any Amgen Combination Product Claims, Regeneron, its Affiliates, Sublicensees, suppliers, distributors, Co-Promoters/ Co-Marketers, vendors or customers shall have no right under such claims to make, have made, use, offer to sell, sell or import such Other Molecule(s), except that Regeneron, its Affiliates, Sublicensees and Co-Promoters/Co-Marketers shall have the right under all Amgen Patent Rights solely to pre-clinically and clinically test and to Promote the combination use of such Other Molecule(s) with the Licensed Product.

Amgen further covenants and agrees that, in the event Amgen or its Affiliate grants or transfers any rights under any Amgen Patent Rights which, Amgen in good faith believes is reasonably likely to be subject to this covenant, to any Third Party, such grant or transfer of rights shall be only upon the condition that the Third Party agrees, in writing, to grant Regeneron, its Affiliates, Sublicensees, suppliers, distributors, Co-Promoters/ Co-Marketers, vendors and customers immunity from suit as set forth in this Section 2.4(a) and agrees to Regeneron being a third party beneficiary under such grant or transfer to the extent it relates to such immunity from suit. For the avoidance of doubt, subject to Section 8.3, the preceding sentence shall not operate to require Amgen or its Affiliates to maintain or renew any Third Party agreement pursuant to which it currently has Control of any Amgen Patent Rights; subject to Section 8.3, the reversion of rights to the original possessor thereof upon such failure to maintain or renew such Third Party agreement shall not be considered a grant or transfer that is subject to the requirements of the first sentence of this paragraph, unless such reversion is the result of a new agreement with such Third Party pursuant to which such Third Party pays consideration to Amgen or its Affiliates in connection with the reversion.

(b) In the event that Amgen or any of its Affiliates comes to Control After-Acquired Patent Rights, Amgen (on its own behalf and on behalf of its Affiliates) covenants to use good faith efforts to obtain, as part of its "Control", the right to grant to Regeneron those rights obtainable on the following conditions and Regeneron shall have the right to include such After-Acquired Patent Rights within the definition of Amgen Patent Rights, solely on the following conditions:

(i) At any time following Amgen or any of its Affiliates coming to Control any After-Acquired Patent Rights, either Amgen or Regeneron may provide written notice to the other that such After-Acquired Patents Rights are to be considered for inclusion within the definition of the Amgen Patent Rights ("Initial Notice"). Regardless of which Party provides the Initial Notice, within thirty (30) days after such Initial Notice, Amgen shall provide to Regeneron a description of the relevant circumstances related to the acquisition of the After-Acquired Patent Rights, and shall inform Regeneron of the consequent consideration required for Regeneron to include such After-Acquired Patent Rights (the "Offered After-Acquired Patent Rights") within the definition of Amgen Patent Rights, as set forth below and in Exhibit E, attached hereto. Such notice (the "Offering Notice") shall include (a) complete copies of any patents included in such Offered After-Acquired Patent Rights, and [**********]. Amgen shall use all reasonable efforts to obtain any necessary consents from the relevant Third Party to permit the disclosure to Regeneron of the information required in the Offering Notice. Amgen shall be required to respond promptly to all reasonable questions raised by Regeneron in connection with Regeneron's review of the Offered After-Acquired Patent Rights and the contractual provisions. Regeneron shall have the right, within ninety (90) days after receipt of such notice, to notify Amgen in writing whether Regeneron elects to include such Patents in the Amgen Patent Rights, [**********]. Upon such election, the Offered After-Acquired Patent Rights shall thereafter be included in the definition of Amgen Patent Rights; if Regeneron elects not to agree to such consideration with respect to the Offered After-Acquired Patent Rights, or fails to timely make its election, any such Offered After-Acquired Patent Rights shall continue to be excluded from the definition of Amgen Patent Rights. Regeneron shall have the right to terminate its license for any After-Acquired Patent Rights on thirty (30) days prior written notice signed by a duly authorized officer of Regeneron; the effect of such termination shall be that such After-Acquired Patent Rights shall thereafter be excluded from the definition of Amgen Patent Rights. For the avoidance of doubt, each After-Acquired Patent Right (or set of rights) is only subject to the Regeneron option for inclusion set forth in this subsection on one occasion; that is, if Regeneron elects not to agree to include Offered After-Acquired Patent Rights within the Amgen Patent Rights (or fails to timely make such election) following the Offering Notice with respect to such Offered After-Acquired Patent Rights, Regeneron shall not have the option to later include those same Offered After-Acquired Patent Rights within the Amgen Patent Rights. For the avoidance of doubt, the rejection of a particular patent or claim offered as an Offered After-Acquired Patent Right under this Section shall not operate to limit Regeneron's rights with respect to any other issued patents or claims that were not offered as Offered After-Acquired Patent Rights, even if such patent or claims which were not offered were obtained from the same Third Party, or pursuant to the same Third Party Agreement, as the Offered After-Acquired Patent Rights which were rejected.

For the avoidance of doubt, any intellectual property rights acquired by Amgen after the Effective Date (such that Amgen's or its Affiliate's rights to the applicable patents and/or patent applications first arise after the Effective Date) shall be excluded from the definition of Amgen Patent Rights unless meeting the definition of After-Acquired Patent Rights and specifically included by operation of this Section 2.4(b).

[**********]

[**********]

[**********]

For the avoidance of doubt, each distinct time Amgen obtains Control of After-Acquired Patent Rights, this Section 2.4(b) [**********] shall operate. All After-Acquired Patent Rights obtained in one transaction (or series of related transactions) from one Third Party shall be considered a set, and this Section 2.4(b) [**********] shall apply only once to such a set of After-Acquired Patent Rights, regardless of how many patents or patent applications are acquired in that one transaction (or series of related transactions).

(c) [**********], Amgen shall provide reasonably timely notice to Regeneron of the Third Party obligation with respect to any such patent. Such notice (the "Offering Notice") shall include (a) complete copies of any patents included in such Pass-Through Patent Rights, [**********] Amgen shall use all reasonable efforts to obtain any necessary consents from the relevant Third Party to permit the disclosure to Regeneron of the information required in the notice contemplated herein. Amgen shall be required to respond promptly to all reasonable questions raised by Regeneron in connection with Regeneron's review of the Pass-Through Patent Rights and the contractual provisions.[**********] Upon such election, the Pass-Through Patent Rights shall thereafter be included in the definition of Amgen Patent Rights; if Regeneron elects not to accept such obligation with respect to any patent or fails to timely make its election, any such patent shall be excluded from the definition of Amgen Patent Rights. Regeneron shall have the right to terminate its license of any Pass-Through Patent Rights on thirty (30) days prior written notice signed by a duly authorized officer of Regeneron. For the avoidance of doubt, each Pass-Through Patent Right (or set of rights) is only subject to the Regeneron option for inclusion set forth in this subsection on one occasion; that is, if Regeneron elects not to agree to include Pass-Through Patent Rights within the Amgen Patent Rights (or fails to timely make such election) following the Offering Notice with respect to such Pass-Through Patent Rights, Regeneron shall not have the option to later include those same Pass-Through Patent Rights within the Amgen Patent Rights.

This Section 2.4(c) shall not apply [**********]

(d) For the avoidance of doubt, the covenants set forth in Section 2.4(a) above shall terminate upon the termination of this Agreement, including, without limitation, any termination arising from the breach of this Agreement by Regeneron.

2.5 NO OTHER RIGHTS. Except for the rights expressly granted under this Agreement, no right, title or interest of any nature is granted under this Agreement by any Party to any other Party, or any Affiliate of any Party, or to any Third Party. For the avoidance of doubt, Amgen and Immunex are only licensing Patent Rights under this Agreement and neither Amgen nor Immunex (nor any of their respective Affiliates) shall have any obligation to transfer or grant licenses to any know-how including, without limitation, trade secrets, inventions, information and data, results, and materials, even if such know-how is claimed by any Patent Rights subject to this Agreement. The Parties acknowledge that the Amgen Licensed Patent Rights and the Immunex Licensed Patent Rights include claims not covering Licensed Product(s), as defined herein, such as claims only covering TNF receptors, and the Parties further acknowledge that it is not the intent of the Parties to convey to Regeneron any rights to such claims pursuant to this Agreement.

2.6 CONDITION PRECEDENT. For the avoidance of doubt, all licenses and other rights provided in this Article 2 shall commence effective as of the Grant Commencement Date.

ARTICLE 3

CONSIDERATION

3.1 ROYALTIES. In consideration for the licenses and other rights granted under Article 2, Regeneron agrees to pay royalties with respect to its total sales of Licensed Product if and to the extent required by the terms of Article 3.

(a) Regeneron shall pay to Immunex (or Amgen if applicable) a royalty, calculated as a sum of the following royalties:

(i) Base Royalty. (A) [**********] of each Licensed Product in any country in the Territory if the making, having made, using, offering to sell, selling or importing of such Licensed Product by Regeneron, its Affiliates or its Sublicensees (or the distributors of any of them), in the absence of this Agreement, would infringe one or more issued claims of the Immunex Licensed Patent Rights in the country where such making, having made, using, offering to sell, selling or importing took place, that have not lapsed, been abandoned or been declared invalid by an unappealable judgment of a court of competent jurisdiction in such country.

(B) In the event that sales of a Licensed Product by Regeneron would not trigger a royalty payment pursuant to Section 3.1(a)(i)(A) above, but the making, having made, using, offering to sell, selling or importing of such Licensed Product by Regeneron, its

Affiliates or its Sublicensees (or the distributors of any of them), in the absence of this Agreement, would infringe one or more issued claims of the Amgen Licensed Patent Rights in the country where such making, having made, using, offering to sell, selling or importing took place, that have not lapsed, been abandoned or been declared invalid by an unappealable judgment of a court of competent jurisdiction in any such country, Regeneron shall pay [**********] of each such Licensed Product in such country to Amgen, rather than Immunex. For the avoidance of doubt, if a royalty is due Immunex under Section 3.1(a)(i)(A), no royalty shall be due Amgen pursuant to this Section 3.1(a)(i)(B).

(C) In the event that sales of a Licensed Product by Regeneron would not trigger a royalty payment pursuant to Section 3.1(a)(i)(A) above nor pursuant to Section 3.1(a)(i)(B) above, but the making, having made, using, offering to sell, selling or importing of such Licensed Product by Regeneron, its Affiliates or its Sublicensees (or the distributors of any of them), infringe or in the absence of this Agreement, would infringe one or more issued claims of the Immunex Patent Rights or Amgen Patent Rights subject to the covenants contained in Section 2.3(a) above or Section 2.4(a) above, in the country where such making, having made, using, offering to sell, selling or importing took place, that have not lapsed, been abandoned or been declared invalid by an unappealable judgment of a court of competent jurisdiction in any such country, Regeneron shall pay [**********] of each such Licensed Product in such country to Immunex or Amgen, as appropriate, based on whether it is the Immunex Patent Rights that are implicated or the Amgen Patent Rights. (If both, payment shall be made half to Immunex, and half to Amgen.) For the avoidance of doubt, if a royalty is due under either Section 3.1(a)(i)(A) or Section 3.1(a)(i)(B) with respect to a Licensed Product, no royalty shall be due pursuant to this Section 3.1(a)(i)(C) with respect to such Licensed Product.

(D) For the avoidance of doubt, in no event shall the royalty payments pursuant to this Section 3.1(a)(i) exceed [**********] of each Licensed Product subject to the royalty provisions of (A), (B) and/or (C) above.

(ii) Aventis Pass-Through Royalty. Regeneron shall pay to Immunex [**********]unless all of the issued claims of the Amgen Patent Rights and Immunex Patent Rights, collectively, expire prior to the royalty term specified in the Aventis Consent and Agreement, in which case, from the time of such expiration, royalties shall no longer be due under this Section 3.1(ii).

(A) Acknowledgement. Regeneron and Immunex acknowledge that the Aventis Pass-Through Royalty is owed by Immunex to Aventis under the Immunex-Hoechst Receptor Agreement (as modified by the Aventis Consent and Agreement) on sales of any Licensed Products by Regeneron under this Agreement, for the duration and under such terms set forth in the Aventis Consent and Agreement, provided the Immunex-Hoechst Receptor Agreement has not expired or been terminated. [**********]

(b) [**********]

(c) [**********]

3.2 COMPENSATION TERM.

(a) Unless this Agreement is earlier terminated in accordance with Article 9 hereof, Regeneron's obligation to pay royalties under Section 3.1(a) shall expire on a Licensed Product-by-Licensed Product and country-by-country basis:

(i) under Section 3.1(a)(i), [**********]

(ii) under Section 3.1(a)(ii), [**********]

(b) [**********]

(c) [**********]

(d) [**********]

3.3 [**********]

3.4 PAYMENT OF ROYALTIES; REPORTS.

(a) First Commercial Sale. Regeneron shall report to an independent certified public accountant chosen jointly by Amgen and Immunex and reasonably acceptable to Regeneron ("Independent Accountant") the date of First Commercial Sale of a Licensed Product in each country in the Territory within [**********] after such occurrence.[**********].

(b) Statements. Beginning with the calendar quarter during which occurred the First Commercial Sale of a Licensed Product, Regeneron shall deliver to Independent Accountant, within [**********] after the end of each calendar quarter, a statement separately setting forth [**********].

(c) Currency. If Net Sales are received in a currency other than United States Dollars, the Net Sales for the purpose of calculating payments hereunder shall be determined in the applicable foreign currency and then converted into its equivalent in United States Dollars at the rate of exchange applicable on the last business day of the calendar quarter in respect of which the funds are payable using the currency exchange rates quoted by the Wall Street Journal, Eastern Edition, during the period of such Net Sales. [**********]

(d) Taxes. [**********] Regeneron will furnish Immunex or Amgen, as appropriate, with the original copies of all official receipts for such taxes. In the event of any such withholding, Regeneron and

Immunex or Amgen, as appropriate, shall confer regarding other measures to minimize such withholding.

(e) Overdue Payments. Overdue payments hereunder shall be subject to a late payment charge calculated at an annual rate of [**********]. If the amount of such charge exceeds the maximum permitted by law, such charge shall be reduced to such maximum.

ARTICLE 4

RECORDS; AUDIT

4.1 RECORD RETENTION. Regeneron shall use commercially reasonable efforts to maintain, and shall use commercially reasonable efforts (which shall include obtaining and enforcing a contractual commitment) to cause each of its Affiliates and its Sublicensees to maintain, full, true and accurate books and records, in all material respects, containing particulars required to determine the correctness of any payment of royalties due pursuant to this Agreement. Such records shall be retained for at least the longer of one (1) year after completion of an audit thereof pursuant to Section 4.2 if an audit has been requested or of three (3) years following the year in which any such payments were made hereunder.

4.2 ROYALTY AUDIT. [**********], Regeneron agrees to make its records for payment of royalties due, available for examination by the Independent Accountant at the expense of Amgen and Immunex (except as otherwise set forth in this Section 4.2), to examine, in confidence (upon at least thirty (30) days prior written notice and during Regeneron's regular business hours), Regeneron's records as may be necessary to determine the correctness of any payment of royalties hereunder made by Regeneron. Regeneron shall enter into a separate confidentiality agreement directly with such Independent Accountant. The report of such Independent Accountant shall be limited to a certificate verifying any report made or payment submitted by Regeneron during such period but may include, in the event the Independent Accountant shall be unable to verify the correctness of any or all of such payment, the unverifiable amount of such payment and information relating to why any or all of such payment is unverifiable, and Regeneron shall receive a copy of each such report concurrently with receipt by Immunex or Amgen, as appropriate. All information contained in any such certificate shall be deemed to be the Confidential Information of Regeneron. [**********]

ARTICLE 5

PATENTS

5.1 IMMUNEX PATENT RIGHTS. As among the Parties, Immunex shall have the sole right, at its sole discretion and at its expense, to file, prosecute, defend, maintain (subject to Section 8.3) and enforce Immunex Patent Rights.

5.2 AMGEN PATENT RIGHTS. As among the Parties, Amgen shall have the sole right, at its sole discretion and expense, to file, prosecute, defend, maintain (subject to Section 8.3) and enforce Amgen Patent Rights.

5.3 PATENT STATUS. Immunex and Amgen each agrees to keep Regeneron advised on of the status of patent applications and patents within (i) Amgen Patent Rights and Immunex Patent Rights, as appropriate, for which compensation is then being paid by Regeneron, (ii) the Amgen Licensed Patent Rights and (iii) the Immunex Licensed Patent Rights, upon reasonable written request by Regeneron, no more than once per calendar year.

5.4 NOTIFICATION OF INFRINGEMENT. If Regeneron learns of an infringement by a Third Party of the Immunex Licensed Patent Rights or the Amgen Licensed Patent Rights, Regeneron shall promptly notify and shall provide Immunex and Amgen with available evidence of such infringement.

ARTICLE 6

CONFIDENTIALITY

6.1 CONFIDENTIALITY. For the term of this Agreement and any extensions and for a period of five (5) years thereafter, each Party agrees to keep confidential and not publish or otherwise disclose or use for any purpose other than as provided for in this Agreement, any Confidential Information disclosed to it by another Party, except that each Party receiving such Confidential Information shall not be prevented from using or disclosing information:

(a) which it can demonstrate by written records was previously known to it;

(b) which is, or becomes in the future, public knowledge through no fault or omission attributable to it;

(c) which is lawfully obtained without restriction by it from sources independent of the disclosing Party without breach of a confidentiality obligation; or

(d) which was independently discovered or developed by the disclosing Party without access to or the use of the disclosing Party's Confidential Information, as can be documented by written records created at the time of such independent discovery or development.

6.2. THIS AGREEMENT. The Parties agree that the material terms of the Agreement shall be considered Confidential Information of all Parties. Notwithstanding the foregoing, the Parties shall be permitted to disclose in filings with the Securities Exchange Commission ("SEC") and the Federal Trade Commission ("FTC") those terms of this Agreement required to be disclosed to either of those agencies by law or regulation; provided, however, that the Parties shall consult with one another concerning which terms of this Agreement shall be requested to be redacted by the SEC or FTC in any public filings by such agencies and,

further provided, however, that in the event of a filing, each Party shall seek confidential treatment in its SEC filings and FTC filings for the royalty rates set forth in Article 3. In addition, Regeneron shall have the right to issue a press release concerning this Agreement substantially in the form annexed hereto as Exhibit F, or, if not provided in Exhibit F, subject to the consent of Amgen and Immunex, following a reasonable opportunity for review (not to exceed three (3) business days), such consent not to be unreasonably withheld. Regeneron will not issue such press release before such time as Immunex and Aventis have fully executed the Aventis Consent and Agreement. Notwithstanding the above, each Party shall have the right to disclose in confidence the terms of the Agreement (a) to parties retained by such Party to perform legal, accounting or similar services and who have a need to know such terms in order to provide such services or (b) to prospective assignees, Sublicensees, or Co-Promoters/Co-Marketers.

6.3 AUTHORIZED DISCLOSURE.

(a) Each Party may disclose Confidential Information belonging to the disclosing Party to the extent such disclosure is reasonably necessary in the following:

(i) enforcing and/or defending rights or obligations under this Agreement; and/or

(ii) complying with any disclosure obligation required by law, order, rule or regulation of a governmental agency or a court of competent jurisdiction;

provided however, that the Party required to or intending to disclose the disclosing Party's Confidential Information under this Section 6.3 shall have first given prompt notice to the disclosing Party to enable it to seek any available exemptions from or limitations on such disclosure, and shall reasonably cooperate in such efforts by the disclosing Party.

ARTICLE 7

INDEMNIFICATION

7.1 INDEMNIFICATION.

(a) Regeneron shall indemnify, defend and hold harmless Immunex, Amgen and their respective officers, directors, employees, stockholders, agents and representatives, (collectively, "Amgen/Immunex Indemnitees") from any and all Losses arising out of or relating to (i) Regeneron's representations or warranties set forth in this Agreement being untrue in any material respect when made; (ii) any material breach or material default by Regeneron of its material covenants and material obligations under this Agreement and (iii) the research, development, marketing, design, manufacture, distribution, use and/or sale of Licensed Product by, on behalf of, or under authority of, Regeneron, its Affiliates or its Sublicensees. Notwithstanding the foregoing, no Amgen/Immunex Indemnitee shall be

entitled to indemnification under this Section 7.1 against any Losses arising out of an Amgen/Immunex Indemnitee's negligence or willful misconduct.

(b) Amgen and/or Immunex, as appropriate, shall indemnify, defend and hold harmless Regeneron and its officers, directors, employees, stockholders, agents and representatives, (collectively, "Regeneron Indemnitees") from any and all Losses arising out of or relating to (i) Amgen's or Immunex's representations or warranties set forth in this Agreement being untrue in any material respect when made; and (ii) any material breach or material default by Amgen or Immunex of its material covenants and material obligations under this Agreement. Notwithstanding the foregoing, no Regeneron Indemnitee shall be entitled to indemnification under this Section 7.1 against any Losses arising out of a Regeneron Indemnitee's negligence or willful misconduct.

(c) An indemnified Party shall give prompt notice to the indemnifying Party of any claim for which the indemnified Party may seek indemnification under Section 7.1 and, provided that the indemnifying Party is not contesting the indemnity obligation, shall permit the indemnifying Party to control any litigation relating to such claim and disposition of any claim; provided however, that the indemnifying party shall not settle or otherwise resolve any claim that would materially adversely affect the indemnified Party, without prior approval by the indemnified Party. The indemnified Party shall cooperate with the indemnifying Party in its defense of any claim for which indemnification is sought under this Agreement and shall not settle or offer to settle any such claim without the indemnifying Party's prior written consent. If the indemnifying Party elects to defend the claim, it shall not be responsible for attorneys' fees incurred by the indemnified Party without the indemnifying Party's consent; provided however, that the indemnified Party shall have the right to retain its own counsel, at its own expense. The failure by the indemnified Party to deliver notice to the indemnifying party within a reasonable time after commencement of any such action, if prejudicial to its ability to defend such action, shall relieve such indemnifying Party of any liability to the indemnified Party under this Section 7.1 (to the extent the failure to be provided such notice shall have been prejudicial to the indemnifying Party's ability to defend such action), but the omission to deliver notice to the indemnifying Party will not relieve the indemnifying Party of any liability that it may have to the indemnified Party other than under this Section 7.1.

7.2 DAMAGES. Except pursuant to Section 7.1, notwithstanding anything to the contrary in this Agreement, in no event shall a Party be responsible for any incidental or consequential damages, including without limitation lost profits or opportunities, and/or damages in connection with Default and/or termination of this Agreement, incurred by another Party or its Indemnitees hereunder, provided however, nothing in this Agreement limits or excludes either Party's liability for fraud or for death or personal injury caused by such Party's own negligence.

7.3 INSURANCE. Each Party shall maintain, through self-insurance or commercially-placed insurance, adequate coverage for the indemnification obligations set forth herein, consistent with biopharmaceutical industry practices.

ARTICLE 8

REPRESENTATIONS, WARRANTIES AND COVENANTS

8.1 REPRESENTATIONS AND WARRANTIES. Each Party represents and warrants as of the Effective Date:

(a) Corporate Power. It is duly organized and validly existing under the laws of its state of incorporation and has full corporate power and authority to enter into this Agreement and to carry out the provisions hereof.

(b) Due Authorization. It is duly authorized to execute and deliver this Agreement and to perform its obligations hereunder. The Person executing this Agreement on its behalf has been duly authorized to do so by all requisite corporate action.

(c) Binding Agreement. The execution, delivery and performance of this Agreement by it does not conflict with any material agreement, instrument or understanding, oral or written, to which it is a party or by which it may be bound, nor violate any material law or regulation of any court, governmental body or administrative or other agency having jurisdiction over it.

(d) No Action. It is aware of no action, suit, or inquiry or investigation instituted by any Third Party or governmental agency which questions or threatens the validity of this Agreement.

Amgen represents and warrants that, to the current actual knowledge of the appropriate members of its legal and licensing departments following due inquiry, that, except as set forth in Exhibit G, it is not aware of any agreements with Third Parties that would limit Amgen's right to grant to Regeneron and its Affiliates a non-exclusive license under the patent and patent applications identified in Exhibit A to make, have made, use, sell, offer for sale and import Licensed Products in the Field of Use anywhere in the Territory. Immunex represents and warrants that, to the current actual knowledge of the appropriate members of its legal and licensing departments following due inquiry, that, except as set forth in Exhibit G, it is not aware of any agreements with Third Parties that would limit Immunex's right to grant to Regeneron and its Affiliates a non-exclusive license under the patent and patent applications identified in Exhibit C or Exhibit D to make, have made, use, sell, offer for sale and import Licensed Products in the Field of Use anywhere in the Territory.

8.2 NO OTHER WARRANTIES. Other than as set forth in Section 8.1, no Party makes any other warranties. Each of Immunex and Amgen does not warrant the validity or enforceability of its respective Patent Rights and makes no representations whatsoever with regard to the scope of such Patent Rights, or that such Patent Rights may be exploited without infringing other patents or other intellectual property rights of Third Parties. Each of Immunex and Amgen MAKES NO WARRANTIES, EXPRESSED OR IMPLIED, OF THE MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE of any subject matter defined by the claims of its respective Patent Rights. Each of Immunex and Amgen

does not represent that it will commence legal actions of any kind against Third Parties for infringement of any of its respective Patent Rights.

8.3 COVENANTS. Immunex and Amgen each agree and covenant that neither it, nor any of its Affiliates, shall grant, transfer or return any right to any Third Party which would (a) limit or impair the Control of any Amgen Licensed Patent Right or any Immunex Licensed Patent Right or (b) conflict with the rights granted to Regeneron hereunder. Immunex further agrees and covenants that it shall maintain its right to grant Regeneron rights under Section 2.1 or 2.3, as the case may be, for the following Immunex Patent Rights: (i) the Immunex-Hoechst Patent Rights, (ii) After-Acquired Patent Rights for which Regeneron has paid any Pre-Existing Burden Payments, and (iii) Pass Through Patent Rights for which Regeneron has paid compensation pursuant to Section 2.3(c). Amgen further agrees and covenants that it shall maintain its right to grant Regeneron rights under Section 2.4, as the case may be, for the following Amgen Patent Rights: (i) After-Acquired Patent Rights for which Regeneron has paid any Pre-Existing Burden Payments, and (ii) Pass Through Patent Rights for which Regeneron has paid compensation pursuant to Section 2.4(c). Immunex further covenants that it shall use all reasonable efforts to cause the Aventis Consent and Agreement to be fully executed by Immunex and Aventis as promptly as possible following the execution of this Agreement.

ARTICLE 9

TERMINATION

9.1 TERM AND TERMINATION. This Agreement shall automatically terminate upon the expiration of Regeneron's obligation to pay any compensation under Article 3 of this Agreement, but not earlier than the expiration of the last to expire of the issued claims of the Immunex Patent Rights and the Amgen Patent Rights, collectively.

(a) Termination by Regeneron. Regeneron shall have the unilateral right to terminate this Agreement at any time on thirty (30) days prior written notice signed by a duly authorized officer of Regeneron.

(b) Termination for Merger not being Consummated. If the Effective Date is not on or before July 31, 2003 and the Amended and Restated Agreement and Plan of Merger by and among Amgen Inc., AMS Acquisition Inc. and Immunex Corporation dated as of December 16, 2001 has been terminated for any reason, this Agreement shall automatically terminate.

9.2 DEFAULT.

(a) Default by Regeneron of its Obligations to Immunex. In the event Immunex believes there has been a Default by Regeneron, Immunex may seek a remedy, including, if appropriate under the circumstances, to terminate the rights granted under the Immunex Patent Rights by providing written notice to Regeneron as provided in the definition of Default, and proceeding in accordance with the provisions set forth below.

(i) If after receipt of the written notice required under the definition of Default, Regeneron gives notice to Immunex that it disputes the alleged Default, the Parties will promptly attempt to resolve the dispute pursuant to paragraph 10.11. If the dispute is not resolved under paragraph 10.11 at the expiration of the sixty (60) day cure period referred to in the definition of Default, Immunex may commence legal proceedings (or arbitration if agreed upon) to resolve the dispute whether Regeneron is in Default as alleged and to seek damages and/or any other remedy, including, if appropriate, termination of this Agreement. If it is determined that a Default occurred, the judge (or arbitrator, if appropriate) shall determine what is the appropriate remedy for the Default in question. If no such legal claim or cause of action has been filed (including in arbitration, if appropriate) by Immunex within one-hundred twenty (120) days following the written notice required under the definition of Default, Immunex shall be considered to have waived its right to seek termination or monetary damages with respect to the actions underlying the alleged Default; provided, however, that Immunex shall not be precluded from offering into evidence for any purpose the events giving rise to any previous allegation of Default in any legal proceeding brought following a subsequently alleged Default based on actions other than those underlying the previously alleged Default. The rights granted under this Agreement may not be terminated pending resolution of any legal or arbitration proceedings brought in accordance with this Section 9.2(a)(i), provided Regeneron timely pays all consideration due under the Agreement. Upon the successful termination of such rights pursuant to the procedures set forth in this Section 9.2(a)(i), all rights granted to Regeneron under the Immunex Patent Rights shall revert to Immunex. Moreover, upon the successful termination of such rights, Amgen shall have the immediate right to terminate the rights granted to Regeneron under the Amgen Patent Rights by providing written notice to Regeneron and, upon Regeneron's receipt of such notice, all rights granted to Regeneron under the Amgen Patent Rights shall revert to Amgen.

(ii) If the substance of the legal proceeding is whether royalties or other payments are due under the Agreement and/or the amount of such royalty or other payment due, and Regeneron pays the disputed royalty or other amount in order to maintain the Agreement in effect, and final resolution of the legal proceedings determines that such disputed royalty or other payment was not due as alleged, Regeneron shall be entitled to a full refund of any such disputed royalties or other amounts paid, together with a payment charge calculated at an annual rate of three (3) percentage points over the prime rate or successive

prime rates (as posted in the Wall Street Journal) during the period such amounts were held by Immunex. If the amount of such charge exceeds the maximum permitted by law, such charge shall be reduced to such maximum.

(iii) The process provided for in paragraph 10.11 shall be deemed concluded for purposes of sub-paragraph (i) herein at such point as either Party sends written notice to the other Party or Parties stating that the process has concluded.

(iv) For the avoidance of doubt, Immunex may not seek to terminate this Agreement due to a breach of this Agreement by Regeneron other than as a result of Regeneron's failure to perform the specific enumerated obligations identified in the definition of Default. Termination is not the sole and/or exclusive remedy for such Defaults. Nothing in this clause shall be construed as preventing any Party from seeking recovery of monetary damages for breach of the Agreement, whether such breach is a Default or not.

(b) Default by Regeneron of its Obligations to Amgen. In the event Amgen believes there has been a Default by Regeneron, Amgen may seek a remedy, including, if appropriate, to terminate the rights granted under the Amgen Patent Rights by providing written notice to Regeneron as provided in the definition of Default, and proceeding in accordance with the provisions set forth below.

(i) If after receipt of the written notice required under the definition of Default, Regeneron gives notice to Amgen that it disputes the alleged Default, the Parties will promptly attempt to resolve the dispute pursuant to paragraph 10.11. If the dispute is not resolved under paragraph 10.11 at the expiration of the sixty (60) day cure period referred to in the definition of Default, Amgen may commence legal proceedings (or arbitration if agreed upon) to resolve the dispute whether Regeneron is in Default as alleged and to seek damages and/or any other remedy, including, if appropriate, termination of this Agreement. If it is determined that a Default occurred, the judge (or arbitrator, if appropriate) shall determine what is the appropriate remedy for the Default in question. If no such legal claim or cause of action has been filed (including in arbitration, if appropriate) by Amgen within one-hundred twenty (120) days following the written notice required under the definition of Default, Amgen shall be considered to have waived its right to seek termination or monetary damages with respect to the actions underlying the alleged Default; provided, however, that Amgen shall not be precluded from offering into evidence for any purpose the events giving rise to any previous allegation of Default in any legal proceeding brought following a

subsequently alleged Default based on actions other than those underlying the previously alleged Default. The rights granted under this Agreement may not be terminated pending resolution of any legal or arbitration proceedings brought in accordance with this Section 9.2(a)(i), provided Regeneron timely pays all consideration due under the Agreement. Upon the successful termination of such rights pursuant to the procedures set forth in this Section 9.1(b)(i), all rights granted to Regeneron under the Amgen Patent Rights shall revert to Amgen. Moreover, upon the successful termination of such rights, Immunex shall have the immediate right to terminate the rights granted to Regeneron under the Immunex Patent Rights by providing written notice to Regeneron and, upon Regeneron's receipt of such notice, all rights granted to Regeneron under the Immunex Patent Rights shall revert to Immunex.

(ii) If the substance of the legal proceeding is whether royalties or other payments are due under the Agreement and/or the amount of such royalty or other payments due, and Regeneron pays the disputed royalty or other amount in order to maintain the Agreement in effect, and final resolution of the legal proceedings determines that such disputed royalty or other payment was not due as alleged, Regeneron shall be entitled to a full refund of any such disputed royalties or other amounts paid, together with a payment charge calculated at an annual rate of three (3) percentage points over the prime rate or successive prime rates (as posted in the Wall Street Journal) during the period such amounts were held by Amgen. If the amount of such charge exceeds the maximum permitted by law, such charge shall be reduced to such maximum.

(iii) The process provided for in paragraph 10.11 shall be deemed concluded for purposes of sub-paragraph (i) herein at such point as either Party sends written notice to the other Party or Parties stating that the process has concluded.

(iv) For the avoidance of doubt, Amgen may not seek to terminate this Agreement due to a breach of this Agreement by Regeneron other than as a result of Regeneron's failure to perform the specific enumerated obligations identified in the definition of Default. Termination is not the sole and/or exclusive remedy for such Defaults. Nothing in this clause shall be construed as preventing any Party from seeking recovery of monetary damages for breach of the Agreement, whether such breach is a Default or not.

9.3 INSOLVENCY OR BANKRUPTCY. All rights and licenses granted under or pursuant to this Agreement to Regeneron are, and shall otherwise be deemed to be, for purposes of Section 365(n) of the United States Bankruptcy Code, licenses of rights to "intellectual property" as

defined under Section 101 of the United States Bankruptcy Code. The Parties agree that Regeneron shall retain all licenses granted to it hereunder and may fully exercise all of its rights and elections under the United States Bankruptcy Code, subject to payment to Immunex or Amgen, as appropriate, of any compensation due pursuant to Article 3.

9.4 ACCRUED RIGHTS, SURVIVING OBLIGATIONS. Termination, relinquishment or expiration of this Agreement for any reason shall be without prejudice to any rights which shall have accrued to the benefit of either Party prior to such termination, relinquishment or expiration.

9.5 EFFECTS OF TERMINATION. Upon termination or expiration of this Agreement,

(a) The following provisions shall remain in full force and effect: Article 1, Article 4 (as provided therein), Article 6 (as provided therein), Article 7, Section 9.4, Section 9.5 and Article 10.

(b) Regeneron, its Affiliates and its Sublicensees shall thereupon have the right to sell that amount of any such Licensed Product they then have in their possession or control, provided however, that with respect to any such Licensed Product for which compensation is due under Article 3, Regeneron shall pay the amounts due thereunder at the time provided for.

(c) Each Party will upon request promptly return all copies of any documents, samples or other physical embodiments of the Confidential Information to the originating Party except each Party may retain one copy in its corporate files (or with the Independent Accountant) for reference.

(d) No Party hereto shall be released from any liability which, at the time of such termination, shall have already accrued or which shall be attributable to a period prior to such termination nor preclude a Party from pursuing any rights and remedies it may have hereunder or at law or in equity with respect to any breach of this Agreement.

(e) Except as specifically provided herein, all other rights and obligations under this Agreement shall terminate upon termination or expiration of this Agreement, and Regeneron shall no longer be a licensee pursuant to this Agreement.

ARTICLE 10

MISCELLANEOUS PROVISIONS

10.1 ASSIGNMENT. Neither this Agreement nor any interest hereunder shall be assignable by any Party without the prior written consent of the other Parties; provided however, that a Party may assign this Agreement and all of its rights and obligations hereunder, without such consent, (i) to any Affiliate, provided such interest shall be retransferred to the relevant Party if such entity ceases to be an Affiliate of such Party, and provided further that the assigning Party shall remain responsible for acts and omissions of (including the performance of this Agreement by) its Affiliate or (ii) to an entity which acquires all or substantially all of the

business to which this agreement pertains, whether by merger, consolidation, reorganization, acquisition, sale, license or otherwise. This Agreement shall be binding upon the successors and permitted assigns of a Party, and the name of a Party appearing herein shall be deemed to include the names of such Party's successors and permitted assigns to the extent necessary to carry out the intent of this Agreement. For the avoidance of doubt, Immunex may assign this entire Agreement and its interests hereunder to Amgen or an Affiliate of Amgen at any time after the closing of the acquisition of Immunex by Amgen; and, upon such assignment, reference to "Immunex", "Immunex and Amgen", "Immunex or Amgen" and "Immunex and/or Amgen", in each instance, shall be deemed reference to "Amgen" alone. Any assignment not in accordance with this Section 10.1 shall be void.

10.2 COSTS. Each Party shall bear its own legal costs and expenses arising out of the negotiation, execution and delivery of this Agreement.

10.3 FORCE MAJEURE. No Party shall be liable to the other for Losses, nor shall have any right to terminate this Agreement for any default or delay attributable to any Force Majeure, if the Party affected shall give prompt notice of any such cause to the other Parties. The Party giving such notice shall thereupon be excused from such of its obligations hereunder as it is thereby disabled from performing for so long as it is so disabled, provided however, that such affected Party commences and continues to take reasonable and diligent actions to cure such cause.

10.4 NOTICES. All notices and other communications required by this Agreement shall be in writing and shall be deemed given if delivered personally or by facsimile transmission (receipt verified), mailed by registered or certified mail (return receipt requested), postage prepaid, or sent by express courier service, to the Parties at the following addresses (or at such other address for a Party as shall be specified by like notice, provided however, that notices of a change of address shall be effective only upon receipt thereof):

If to Regeneron, addressed to:

Regeneron Pharmaceuticals, Inc.
Attention: President
777 Old Saw Mill River Road
Tarrytown, NY 10591-6707
Facsimile: [******************]

With a copy to: Vice President and General Counsel
Facsimile: [********************]

If to Immunex, addressed to:

Immunex Corporation
51 University Street
Seattle, WA 98101
Facsimile: [*****************]

With a copy to: General Counsel
Facsimile: [**********]

If to Amgen, addressed to:

Amgen Inc.
One Amgen Center Drive
Thousand Oaks, California USA 91320-1799
Attention: Corporate Secretary
Facsimile: [**********]

With a copy to: Vice President, Product Licensing
Facsimile: [**********]

10.5 AMENDMENT. No amendment, modification or supplement of any provision of this Agreement shall be valid or effective unless made in writing and signed by a duly authorized officer of each Party.

10.6 WAIVER. Except as set forth herein, no provision of the Agreement shall be waived by any act, omission or knowledge of any Party or its agents or employees, except by an instrument in writing expressly waiving such provision and signed by a duly authorized officer of the waiving Party.

10.7 COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which need not contain the signature of more than one Party, but all such counterparts taken together shall constitute one and the same agreement.

10.8 DESCRIPTIVE HEADINGS. The descriptive headings of this Agreement (including the headings in any exhibits hereto) are for convenience only, and shall be of no force or effect in construing or interpreting any of the provisions of this Agreement.

10.9 GOVERNING LAW. This Agreement shall be governed and interpreted in all respects under the substantive laws of the State of Delaware as applied to agreements executed and performed entirely in the State of Delaware by residents of the State of Delaware, without giving effect to those provisions governing conflicts of law. The Parties consent to the exclusive jurisdiction of the Delaware Courts for all matters arising out of or relating to this Agreement, and further consent that any process, notice of motion or other application to either such court or judge thereof may be served outside of Wilmington, Delaware by registered or certified mail or by personal service, provided that a reasonable time for appearance is allowed. Any dispute, controversy or claim relating to the scope, validity, enforceability or infringement of Amgen Patent Rights and/or Immunex Patent Rights in a country shall be governed by the laws of that country.

10.10 SEVERABILITY. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such

provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement. The Parties shall make a good faith effort to replace the invalid or unenforceable provision with a valid one which in its economic effect is most consistent with the objectives contemplated by the Parties as evidenced by the terms and conditions of this Agreement when entering into such invalid or unenforceable one. Invalidity, non-enforceability or expiration of any or all of the Amgen Patent Rights or Immunex Patent Rights shall not affect Regeneron's license rights in and to the remaining Amgen Patent Rights and Immunex Patent Rights.

10.11 DISPUTE RESOLUTION. The Parties agree that in the event of a dispute between and/or among them arising from, concerning or in any way relating to this Agreement, the Parties shall undertake good faith efforts to resolve any such dispute in good faith. In the event the Parties shall be unable to resolve any such dispute, the matter shall be first referred to the general counsel for each Party for further review and resolution and, if necessary, then to the chief executive officer of each Party. If after such efforts the Parties are unable to resolve such dispute, a Party may seek any legal or equitable remedy available to it.

10.12 INDEPENDENT CONTRACTORS. The relationship among the Parties created by this Agreement is one of independent contractors, and no Party shall have the power or authority to bind or obligate the other except as expressly set forth in this Agreement.

10.13 USE OF NAME. In addition to being subject to Article 6, no right, express or implied, is granted to a Party by this Agreement to use in any manner any trademark or trade name of another Party or its Affiliates, including the names "Amgen", "Immunex" and "Regeneron", without the prior written consent of the owning Party.

10.14 FURTHER ACTIONS. Each Party agrees to execute, acknowledge and deliver such further instruments, and to do all such other acts, as may be necessary or appropriate in order to carry out the purposes and intent of this Agreement.

10.15 NO ADMISSION. This Agreement shall not be construed as an admission of any Party that any patent is valid, infringed, enforceable, or invalid, not infringed or not enforceable. This Agreement may not be offered into evidence or referred to by any Party in any action against another Party for patent infringement as evidence of an admission respecting infringement or validity of any patent. Other than in connection with the enforcement of this Agreement, this Agreement may not be offered into evidence for the purpose of establishing appropriate damages for infringement of any Patent Rights covered by this Agreement.

10.16 [**********]

* * *

[remainder of page intentionally left blank]

* * *

10.17 ENTIRE AGREEMENT OF THE PARTIES. This Agreement (including all Exhibits attached hereto, which are incorporated herein by reference) shall constitute and contain the complete, final and exclusive understanding and agreement of the Parties and cancels and supersedes any and all prior negotiations, correspondence, representations, promises, understandings and agreements, whether oral or written, between the Parties respecting the subject matter thereof.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement in duplicate by their respective duly authorized officers.

REGENERON PHARMACEUTICALS, INC.

/s/ Stuart Kolinski
By: Stuart Kolinski
Title: General Counsel
Date: June 26, 2002

IMMUNEX CORPORATION

/s/ Edward V. Fritzky
By: Edward V. Fritzky
Title: Chairman and CEO
Date: June 26, 2002

AMGEN INC.

/s/ Scott J. Foraker
By: Scott J. Foraker
Title: Vice President Licensing
Date: June 26, 2002

EXHIBIT A

Amgen Licensed Patent Rights

[**********]

EXHIBIT B

Consent and Agreement Modifying Receptor Agreement

[**********]

EXHIBIT C

Immunex-Hoechst Patent Rights

[**********]

EXHIBIT D

Immunex IL-1r Patent Rights

[**********]

EXHIBIT E

Payment Terms for After-Acquired Patent Rights

Pursuant to Section 2.3(b) and 2.4(b), should Regeneron elect to have After-Acquired Patent Rights included within the Immunex Patent Rights or the Amgen Patent Rights, respectively, Regeneron must pay the consideration set forth herein:

[**********]

EXHIBIT F

PRESS RELEASE

REGENERON GRANTED LICENSE BY AMGEN AND IMMUNEX TO INTERLEUKIN-1 INHIBITOR PATENTS

Tarrytown, NY (June XX, 2002) -- Regeneron Pharmaceuticals (Nasdaq: REGN) announced that it has entered into an agreement with Amgen Inc. and Immunex Corporation for a non-exclusive license to certain intellectual property rights which may be used in the development and commercialization of Regeneron's interleukin-1 (IL1) Trap. Amgen and Immunex agreed to grant the license to Regeneron in connection with Amgen's pending acquisition of Immunex, which is currently under review by the Federal Trade Commission. The license to Regeneron becomes effective upon the completion of the acquisition.

This license follows two other licensing arrangements under which Regeneron obtained rights to practice intellectual property for potential use in its IL1 Trap program. The Company gained nonexclusive rights to patents owned by ZymoGenetics, Inc. covering immunoglobulin-fusion proteins. In addition, [ ]

"The IL1 Trap demonstrated clinical activity in patients with rheumatoid arthritis in a Phase I trial and a Phase II trial is scheduled to begin shortly," noted Stuart Kolinski, Regeneron's Vice President and General Counsel. "Regeneron was able to secure these three licenses to intellectual property rights, which enhance our existing patent portfolio for the IL1 Trap, in exchange for total royalties in the mid-single digits.

This news release discusses historical information and includes forward-looking statements about Regeneron and its products, programs, finances, and business, all of which involve a number of risks and uncertainties, such as risks associated with preclinical and clinical development of drugs and biologics, determinations by regulatory and administrative governmental authorities, competitive factors, technological developments, the availability and cost of capital, the costs of developing, producing,

and selling products, the potential for any collaboration agreement to be canceled or to terminate without any product success, and other material risks. A more complete description of these risks can be found in Regeneron's filings with the United States Securities and Exchange Commission, including its Form 10-K for the year ended December 31, 2001. Regeneron does not undertake any obligation to update publicly any forward-looking statement, whether as a result of new information, future events, or otherwise, unless required by law.

Regeneron is a biopharmaceutical company that discovers, develops, and intends to commercialize therapeutic medicines for the treatment of serious medical conditions. Regeneron has therapeutic candidates in clinical trials for the potential treatment of obesity, rheumatoid arthritis, and cancer, and has preclinical programs in asthma, allergies, and other diseases and disorders. Regeneron's platform technologies include Targeted Genomics(TM), Functionomics(TM), and Designer Protein Therapeutics(TM).

###

Contact: Charles Poole
Vice President, Investor Relations
Regeneron Pharmaceuticals, Inc.
charles.poole@regn.com
(914) 345-7641

Media Contact: Jeanne Abi-Nader
Vice President
Robinson, Lerer, Montgomery
jabi-nader@rlmnet.com
(212) 484-7954

Additional information about Regeneron and recent news releases are available on Regeneron's Worldwide Web Home Page at www.regn.com. Fax copies of news releases can be obtained from Regeneron's News-on-Demand Service by dialing (800) 311-0841.

EXHIBIT G

SCHEDULE OF LIMITATIONS OF LICENSED PATENT RIGHTS

[**********]

Exhibit 99.1

CERTIFICATION OF CEO AND CFO PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Regeneron Pharmaceuticals, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Leonard S. Schleifer, M.D., Ph.D., as Chief Executive Officer of the Company, and Murray A. Goldberg, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of his knowledge, that:

(1) The Report fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

-s- Leonard S. Schleifer

Leonard S. Schleifer, M.D., Ph.D.
Chief Executive Officer
August 13, 2002

-s- Murray A. Goldberg

Murray A. Goldberg
Chief Financial Officer
August 13, 2002