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

Form 10-Q

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

For the quarterly period ended June 30, 1997

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 X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of August 2, 1997:

Class of Common Stock	Number of Shares
Class A Stock, $0.001 par value	4,279,814
Common Stock, $0.001 par value	26,604,819

REGENERON PHARMACEUTICALS, INC.
Table of Contents
June 30, 1997

PART I FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

REGENERON PHARMACEUTICALS, INC.
CONDENSED BALANCE SHEETS AT JUNE 30, 1997 AND DECEMBER 31, 1996 (Unaudited)

ASSETS	June 30, 1997	December 31, 1996
Current assets		
Cash and cash equivalents	$ 51,445,161	$ 34,475,060
Marketable securities	52,808,383	45,587,404
Receivable due from Sumitomo Pharmaceuticals Company, Ltd.	2,327,400	2,072,455
Receivable due from Merck & Co., Inc.	1,914,117	1,816,056
Receivable due from The Procter & Gamble Company	937,500	
Receivable due from Amgen-Regeneron Partners	805,621	446,269
Prepaid expenses and other current assets	394,763	611,435
Total current assets	110,632,945	85,008,679
Marketable securities	25,246,355	16,965,302
Investment in Amgen-Regeneron Partners		1,205,299
Property, plant and equipment, at cost, net of accumulated depreciation and amortization	33,973,564	34,297,843
Other assets	101,009	104,731
Total assets	$ 169,953,873	$ 137,581,854
LIABILITIES and STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	$ 5,076,750	$ 4,357,145
Capital lease obligations, current portion	3,054,527	3,505,221
Note payable, current portion	75,416	77,684
Capital contribution due to Amgen-Regeneron Partners	965,045	
Deferred revenue, current portion	1,676,326	4,108,412
Total current liabilities	10,848,064	12,048,462
Capital lease obligations	2,458,402	3,400,015
Note payable	1,711,799	1,748,082
Other liabilities	213,092	183,426
Deferred revenue	14,778,415	13,270,870
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;		
4,279,814 shares issued and outstanding in 1997		
4,355,994 shares issued and outstanding in 1996	4,280	4,356
Common Stock, $.001 par value; 60,000,000 shares authorized;		
26,604,819 shares issued and outstanding in 1997		
21,319,896 shares issued and outstanding in 1996	26,605	21,320
Additional paid-in capital	307,904,196	264,742,236
Unearned compensation	(900,000)	(1,080,000)
Accumulated deficit	(167,227,638)	(157,029,112)
Net unrealized gain on marketable securities	136,658	272,199
Total stockholders' equity	139,944,101	106,930,999
Total liabilities and stockholders' equity	$ 169,953,873	$ 137,581,854

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

REGENERON PHARMACEUTICALS, INC.
CONDENSED STATEMENTS OF OPERATIONS (Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	1997	1996	1997	1996
Revenues				
Contract research and development	$4,377,177	$4,596,390	$8,615,615	$8,779,286
Investment income	1,380,585	1,130,763	2,659,316	1,731,185
Contract manufacturing	858,510	431,009	1,554,966	836,360
	6,616,272	6,158,162	12,829,897	11,346,831
Expenses				
Research and development	6,880,316	6,802,561	13,956,787	13,728,964
Loss in Amgen-Regeneron Partners	479,345	3,517,180	2,179,345	6,179,080
General and administrative	1,688,276	1,586,554	3,152,203	3,097,499
Depreciation and amortization	1,165,005	1,525,301	2,366,502	3,016,255
Contract manufacturing	475,673	123,770	968,535	239,106
Interest	197,324	227,429	405,051	478,058
	10,885,939	13,782,795	23,028,423	26,738,962
Net loss	($4,269,667)	($7,624,633)	($10,198,526)	($15,392,131)
Net loss per share	($0.16)	($0.31)	($0.38)	($0.66)
Weighted average number of Common and Class A shares outstanding	27,192,724	24,585,518	26,495,847	23,296,691

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

REGENERON PHARMACEUTICALS, INC.
CONDENSED STATEMENTS OF CASH FLOWS (Unaudited)
Increase (Decrease) in Cash and Cash Equivalents

	Six months ended June 30, 1997	1996
Cash flows from operating activities		
Net loss	($10,198,526)	($15,392,131)
Adjustments to reconcile net loss to net cash used in operating activities		
Loss in Amgen-Regeneron Partners	2,179,345	6,179,080
Depreciation and amortization	2,366,502	3,016,255
Amortization of lease incentive		
Stock issued in consideration for services rendered	180,000	180,000
Changes in assets and liabilities		
Increase in amounts due from Amgen-Regeneron Partners	(359,352)	(316,552)
Increase in amounts due from Sumitomo Pharmaceuticals Co., Ltd.	(254,945)	(603,421)
Increase in amounts due from Merck & Co., Inc.	(98,061)	(2,794,534)
Increase in amounts due from The Procter & Gamble Company	(937,500)	000,000
Increase in investment in Amgen-Regeneron Partners	(9,001)	(6,521,000)
Decrease in prepaid expenses and other assets	220,394	130,675
(Decrease) increase in deferred revenue	(924,541)	3,445,172
Increase (decrease) in accounts payable, accrued expenses, and other liabilities	371,168	(533,047)
Total adjustments	2,734,009	2,182,628
Net cash used in operating activities	(7,464,517)	(13,209,503)
Cash flows from investing activities		
Purchases of marketable securities	(46,077,877)	(41,117,516)
Sales of marketable securities	30,440,304	20,209,644
Capital expenditures	(1,085,427)	(7,462,280)
Net cash used in investing activities	(16,723,000)	(28,370,152)
Cash flows from financing activities		
Net proceeds from the issuance of stock	43,207,169	59,394,527
Principal payments on note payable	(38,551)	(41,431)
Capital lease payments	(2,011,000)	(1,659,382)
Net cash provided by financing activities	41,157,618	57,693,714
Net increase in cash and cash equivalents	16,970,101	16,114,059
Cash and cash equivalents at beginning of period	34,475,060	32,736,026
Cash and cash equivalents at end of period	$51,445,161	$48,850,085
Supplemental disclosure of cash flow information		
Cash paid for interest	$375,385	$437,586

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

REGENERON PHARMACEUTICALS, INC.
Notes to Condensed Financial Statements

1. Interim Financial Statements

In the opinion of management of the Company, the accompanying unaudited interim financial statements reflect all adjustments, consisting only of normal recurring accruals, necessary to present fairly the Company's financial position as of June 30, 1997 and December 31, 1996 and the results of operations for the three months and six months ended June 30, 1997 and 1996. The results of operations for such interim periods are not necessarily indicative of the results to be expected for the full year.

2. Statement of Cash Flows

Supplemental disclosure of noncash investing and financing activities:

Capital lease obligations of approximately $619,000 and $775,000 were incurred during the first six months of 1997 and 1996, respectively, when the Company leased new equipment.

Included in accounts payable and accrued expenses at June 30, 1997 were approximately $1,127,000 of capital expenditures and approximately $40,000 of costs incurred in connection with the Company's issuance of equity securities.

3. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses as of June 30, 1997 and December 31, 1996 consist of the following:

	June 30, 1997	December 31, 1996
Accounts payable	$2,938,907	$2,178,308
Accrued payroll and costs	1,006,600	1,047,812
Accrued clinical trial expense	319,500	319,500
Accrued expenses, other	410,280	389,062
Deferred compensation	401,463	422,463
	$5,076,750	$4,357,145

4. Collaboration Agreement

In May 1997, the Company entered into a ten-year collaboration agreement with The Procter & Gamble Company ("Procter & Gamble") to discover, develop, and commercialize pharmaceutical products (the "P&G Agreement"), as well as a securities purchase agreement and other related agreements. Procter & Gamble agreed over the first five years of the various agreements to purchase up to $60.0 million in Regeneron equity and provide up to $94.7 million in support

of Regeneron's research efforts related to the collaboration. In June 1997, Procter & Gamble completed the purchase of 4.35 million shares of Regeneron Common Stock at $9.87 per share for a total of $42.9 million and received five year warrants to purchase an additional 1.45 million shares of Regeneron stock at $9.87 per share. This purchase was in addition to a $10.0

million purchase of Regeneron Common Stock at $12.50 per share that was completed in March 1997 pursuant to a December 1996 stock purchase agreement. The P&G Agreement expanded and superceded a collaboration agreement that the companies entered into in December 1996 jointly to develop drugs for skeletal muscle injury and atrophy.

In the second five years of the P&G Agreement, the companies will share all research costs equally. Clinical testing and commercialization expenses for jointly developed products will be shared equally throughout the ten years of the collaboration. Procter & Gamble will have rights to Regeneron's current technology (other than its work in the area of neurotrophic factors and cytokines), which is expected to have application in cardiovascular, bone, muscle, arthritis, and other disease areas. Procter & Gamble will also have rights to new technology developed as a result of the collaboration. The companies expect jointly to develop and market worldwide any products resulting from the collaboration and share equally in profits. Either company may terminate the P&G Agreement at the end of five years with at least one year's prior notice or earlier in the event of default.

Contract research and development revenue related to the P&G Agreement and the December 1996 collaboration agreement was $0.9 million in the second quarter of 1997 and $1.9 million for the first half of 1997. At June 30, 1997, the Procter & Gamble contract research revenue receivable was $0.9 million.

5. Impact of the Future Adoptions of Recently Issued Accounting Standards

In February 1997, the Financial Accounting Standards Board issued Financial Accounting Standard No. 128, "Earnings Per Share" ("SFAS 128"). SFAS 128 will require the Company to replace the current presentation of "primary" per share data with "basic" and "diluted" per share data. Currently, outstanding common stock equivalents are antidilutive and therefore management estimates that the future adoption of SFAS 128 currently will not have a material impact on the Company's per share data. SFAS 128 will be adopted by the Company for periods ending after December 15, 1997.

The Financial Accounting Standards Board issued Financial Accounting Standard No. 130, "Reporting Comprehensive Income" ("SFAS 130") in June 1997. Comprehensive Income represents the change in net assets of a business enterprise as a result of nonowner transactions. Management does not believe that the future adoption of SFAS 130 will have a material effect on the Company's financial position and results of operations. The Company will adopt SFAS 130 for the year ending December 31, 1998.

Also in June 1997, the Financial Accounting Standards Board issued

Financial Accounting Standard No. 131, "Disclosures about Segments of an Enterprise and Related Information" ("SFAS 131"). SFAS 131 requires that a business enterprise report certain information about operating segments, products and services, geographic areas of operation, and major customers in complete sets of financial statements and in condensed financial statements for interim periods. The Company is required to adopt this standard in 1998 and is currently evaluating the impact of the standard.

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. ("Regeneron" or the "Company") and actual events or results may differ materially. These statements concern, among other things, the possible therapeutic applications of the Company's product candidates and research programs, the timing and nature of the Company's clinical and research programs now underway or planned, a variety of items described in the footnotes to the Company's financial statements (including the useful life of assets, the anticipated length of agreements, and other matters), and the future uses of capital and financial needs of the Company. These statements are made by the Company based on management's current beliefs and judgment. In evaluating such statements, stockholders and 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.

In May 1997, the Company entered into a ten-year collaboration agreement with The Procter & Gamble Company ("Procter & Gamble") to discover, develop, and commercialize pharmaceutical products (the "P&G Agreement"), as well as a securities purchase agreement and other related agreements. Procter & Gamble agreed, over the first five years of the various agreements, to purchase up to $60.0 million in Regeneron equity and provide up to $94.7 million in support of Regeneron's research efforts related to the collaboration. In June 1997, Procter & Gamble completed the purchase of 4.35 million shares of Regeneron Common Stock at $9.87 per share for a total of $42.9 million and received five year warrants to purchase an additional 1.45 million shares of Regeneron stock at $9.87 per share. This purchase was in addition to a $10.0 million purchase of Regeneron Common Stock at $12.50 per share that was completed in March 1997 pursuant to a December 1996 stock purchase agreement. The P&G Agreement expanded and superceded a collaboration agreement that the companies entered into in December 1996 jointly to develop drugs for skeletal muscle injury and atrophy.

During the second quarter of 1997, Amgen Inc. ("Amgen"), on behalf of Amgen-Regeneron Partners, continued to conduct clinical trials of brain-derived neurotrophic factor ("BDNF") for the treatment of amyotrophic lateral sclerosis ("ALS," commonly known as Lou Gehrig's disease) via intrathecal delivery

and of neurotrophin-3 ("NT-3") for the treatment of peripheral neuropathies caused by diabetes. Amgen also continued to conduct a trial of BDNF in Europe for the treatment of neuropathies caused by diabetes. The Company continued to develop and manufacture BDNF for use by Sumitomo Pharmaceuticals Co., Ltd. ("Sumitomo Pharmaceuticals") in Japan.

In January 1997, Amgen and Regeneron announced that the Phase III clinical trial of BDNF delivered subcutaneously did not demonstrate clinical efficacy in patients with ALS and that the trial confirmed the safety and tolerability of BDNF seen in earlier trials. The failure of the Phase III trial to achieve its primary end points had a materially adverse effect on the price of the Company's Common Stock (which declined more than 50% immediately after the announcement of the results of the trial). After the Phase III clinical trial results were announced, the Company retained independent experts in the fields of neurology and gastroenterology, as well as independent statisticians, to conduct further examination of the data. This review by the Company and the outside panels

indicated 1) that a subset of ALS patients in the trial may have received a benefit from BDNF treatment and 2) that BDNF appeared to have an effect on the gastrointestinal system and might have a therapeutic role in treating constipating conditions, among other disorders. The panels recommended, among other things, that additional clinical and preclinical investigations of subcutaneous BDNF for ALS and BDNF for gastrointestinal conditions should be undertaken. The Company is reviewing these recommendations and the Phase III data and is discussing with Amgen whether to undertake these or other investigations of BDNF. Further development of BDNF in the United States must be undertaken in accordance with the terms of the Company's collaboration agreement with Amgen. Sumitomo Pharmaceuticals is currently planning to begin a Phase I safety assessment of BDNF in 1997.

The results of the Company's and its collaborators' past activities in connection with the research and development of BDNF and NT-3 do not necessarily predict the results or success of future activities including, but not limited to, any additional preclinical or clinical studies of BDNF or NT-3. The Company cannot predict whether, when, or under what conditions BDNF or NT-3 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 BDNF or NT-3 to treat human conditions or to be approved for marketing would have a material adverse impact on the Company.

Amgen continues to conduct a Phase I trial on behalf of Amgen-Regeneron Partners of BDNF for ALS using intrathecal delivery. While intrathecal delivery may be more successful in delivering BDNF to certain motor neurons (the nerve cells that degenerate in ALS), it is not known whether intrathecal delivery will prove any more successful in demonstrating safety and utility in patients with ALS than the subcutaneous delivery used in the Phase III clinical trial that failed to achieve its primary endpoints. If additional studies of BDNF for ALS are undertaken, the time and expense required for such trials could be material

to the Company and the outcome will be uncertain. If subsequent trials are conducted and such trials fail to demonstrate that BDNF is safe and effective in the treatment of ALS, that failure could have a materially adverse effect on the Company, the price of the Company's Common Stock, and the Company's ability to raise additional capital.

No assurance can be given that extended administration of NT-3 will be safe or effective. The Phase I study of NT-3 in normal human volunteers that concluded in 1995 was a short term (seven day) treatment study. The current NT-3 clinical study involves substantially longer treatment (six months or longer). The treatment of peripheral neuropathy may present additional clinical trial risks in light of the complex and not wholly understood mechanisms of action that lead to the neuropathies, the presence of many other drugs to treat the underlying conditions, the potential difficulty of achieving significant clinical endpoints, and other factors. No assurance can be given that these or any other studies of NT-3 will be successful or that NT-3 will be commercialized.

To date, Regeneron has not received any revenues from the commercial sale of products and may never receive such revenues. Before such revenues can be realized, the Company (or its collaborators) must overcome a number of hurdles which include successfully completing its research and development efforts and obtaining regulatory approval from the United States Food and Drug Administration ("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 the Company's products and technologies noncompetitive and obsolete.

In the absence of revenues from commercial product sales or other sources (the amount, timing, nature, or source of which can not be predicted), the Company's losses will continue as the Company conducts its research and development activities. The Company's activities may expand over time and may require additional resources, and the Company's operating losses may be substantial over at least the next several years. The Company's losses may fluctuate from quarter to quarter and will depend, among other factors, on the timing of certain expenses and on the progress of the Company's research and development efforts.

Results of Operations

Three months ended June 30, 1997 and 1996. The Company's total revenue increased to $6.6 million for the second quarter of 1997 from $6.2 million for the same period in 1996. Contract research and development revenue decreased to $4.4 million for the second quarter of 1997 from $4.6 million for the same period in 1996. Contract research and development revenue earned from Sumitomo Pharmaceuticals was $3.1 million for the second quarters of both 1997 and 1996, representing $0.8 million for contract research and $2.3 million of reimbursement for developing manufacturing processes for BDNF and supplying BDNF. Contract research and development revenue earned from Amgen-Regeneron Partners ("the Partnership") decreased to $0.4 million for the second quarter of

1997 from $1.5 million for the same period in 1996, as the Partnership conducted less basic research on BDNF and NT-3. The Company entered into a research collaboration agreement with Procter & Gamble in December 1996, which was superceded by the P&G Agreement in May 1997. Contract research revenue related to these agreements totaled $0.9 million for the second quarter 1997. Contract manufacturing revenue related to the long-term manufacturing agreement (the "Merck Agreement") with Merck & Co., Inc. ("Merck") for the second quarters of 1997 and 1996 totaled $0.9 million and $0.4 million, respectively. Investment income in the second quarter of 1997 increased to $1.4 million from $1.1 million for the same period in 1996, due primarily to higher levels of interest-bearing investments resulting from the private placements of equity securities in 1996 and 1997 with Amgen, Medtronic, Inc. ("Medtronic"), and Procter & Gamble.

The Company's total operating expenses decreased to $10.9 million in the second quarter of 1997 from $13.8 million for the same period in 1996. Research and development expenses were $6.9 million in the second quarter of 1997 and $6.8 million for the same period in 1996. Loss in Amgen-Regeneron Partners decreased to $0.5 million in the second quarter of 1997 from $3.5 million for the same period in 1996 as the Partnership completed the Phase III clinical trial of BDNF in 1996. Research and development expenses (including Loss in Amgen-Regeneron Partners) were approximately 68% of total operating expenses in the second quarter of 1997 compared to 75% for the same period in 1996.

General and administrative expenses were $1.7 million in the second quarter of 1997 and $1.6 million for the same period in 1996. Depreciation and amortization expense decreased to $1.2 million in the second quarter of 1997 from $1.5 million in the second quarter of 1996 as certain laboratory equipment became fully depreciated and capitalized patent costs were fully amortized in 1996. Interest expense was $0.2 million for the second quarters of both 1997 and 1996. Contract manufacturing expenses are direct expenses related to the long-term manufacturing agreement with Merck. Such expenses, which are reimbursed by Merck, increased to $0.5 million in the second quarter of 1997 from $0.1 million in the same period of 1996, primarily from increased equipment validation costs.

The Company's net loss for the second quarter of 1997 was $4.3 million, or $0.16 per share, compared to a net loss of $7.6 million, or $0.31 per share, for the same period in 1996.

Six months ended June 30, 1997 and 1996. The Company's total revenue increased to $12.8 million for the six months ended June 30, 1997 from $11.3 million for the same period in 1996. Contract research and development revenue for the six months ended June 30 decreased to $8.6 million in 1997 from $8.8 million in 1996. Contract research and development revenue for six months earned from Sumitomo Pharmaceuticals was $5.9 million in 1997 and $5.8 million in 1996, consisting of contract research revenue of $1.5 million in both periods and reimbursement for developing manufacturing processes for BDNF and supplying BDNF of $4.4 million in 1997 and $4.3 million in 1996. Contract research and development revenue earned from Amgen-Regeneron Partners decreased to $0.8

million for the six months ended June 30, 1997 from $3.0 million for the same period in 1996, as the Partnership conducted less basic research on BDNF and NT-3. The Company entered into a research collaboration agreement with Procter & Gamble in December 1996, superceded by the P&G Agreement in May 1997. Contract research revenue related to these agreements totaled $1.9 million for the first half of 1997. Contract manufacturing revenue related to the Merck Agreement for the six months ended June 30, 1997 and 1996 totaled $1.6 million and $0.8 million, respectively. The increase represents reimbursement of increased costs of equipment validation and personnel. Investment income in the first half of 1997 increased to $2.7 million from $1.7 million in the same period of 1996, due primarily to higher levels of interest-bearing investments resulting from the private placements of equity securities in 1996 and 1997 with Amgen, Medtronic, and Procter & Gamble.

The Company's total operating expenses decreased to $23.0 million in the six months ended June 30, 1997 from $26.7 million for the same period in 1996. Research and development expenses increased to $14.0 million in the first half of 1997 from $13.7 million for the same period in 1996. Loss in Amgen-Regeneron Partners for the first six months of 1997 decreased to $2.2 million from $6.2 million for the same period in 1996, as the Partnership completed the Phase III clinical trial of BDNF in 1996. Research and development expenses for the six months ended June 30, 1997 and 1996 (including Loss in Amgen-Regeneron Partners) represented approximately 70% and 74% of total operating expenses, respectively.

General and administrative expenses were $3.2 million and $3.1 million in the first half of 1997 and 1996, respectively. Depreciation and amortization expense decreased to $2.4 million in the first half of 1997 from $3.0 million in the first half of 1996, as certain laboratory equipment became fully depreciated and capitalized patent costs were fully amortized in 1996. Interest expense decreased to $0.4 million for the six month period ended June 30, 1997 from $0.5 million in the comparable period in 1996, resulting from the expiration of equipment leases during 1996. Contract manufacturing expenses are direct expenses related to the long-term manufacturing agreement with Merck. Such expenses, which are reimbursed by Merck, increased to $0.9 million in the first half of 1997 from $0.2 million in the same period of 1996, primarily from increased equipment validation costs.

The Company's net loss for the six months ended June 30, 1997 was $10.2 million, or $0.38 per share, compared to a net loss of $15.4 million, or $0.66 per share, for the same period in 1996.

Liquidity and Capital Resources

Since its inception in 1988, the Company has financed its operations primarily through private placements and public offerings of its equity securities, revenue earned under the several agreements between the Company and each of Amgen, Sumitomo Chemical Company, Ltd., Sumitomo Pharmaceuticals, Merck, and Procter & Gamble and investment income. Procter & Gamble agreed over the first five years of the P&G Agreement to purchase up to $60.0 million in

Regeneron equity and provide up to $94.7 million in support of Regeneron's research efforts related to the collaboration. In June 1997, Procter & Gamble completed the purchase of 4.35 million shares of Regeneron Common Stock at $9.87 per share for a total of $42.9 million and received five year warrants to purchase an additional 1.45 million shares of Regeneron stock at $9.87 per share. This purchase was in addition to a $10.0 million purchase of Regeneron Common Stock at $12.50 per share that was completed in March 1997 pursuant to a December 1996 stock purchase agreement. The P&G Agreement expanded and superceded a collaboration agreement that the companies entered into in December 1996 jointly to develop drugs for skeletal muscle injury and atrophy. In connection with the Company's agreement to collaborate with Sumitomo Pharmaceuticals in the research and development of BDNF in Japan, Sumitomo Pharmaceuticals paid the Company $22.0 million through December 1996 (which includes a payment of $3.0 million for 1997) and agreed to pay the Company an additional $3.0 million in 1998. Sumitomo Pharmaceuticals has the option to cancel the 1998 payment; however, if such a cancellation were to occur, Sumitomo Pharmaceutical's rights to develop and commercialize BDNF in Japan would revert to the Company. In addition, the Company is being reimbursed in connection with supplying Sumitomo Pharmaceuticals with BDNF for preclinical use.

The Company's activities relating to BDNF and NT-3, as agreed upon by Amgen and Regeneron, are being reimbursed by Amgen-Regeneron Partners, and the Company recognizes such reimbursement as revenue. The funding of Amgen-Regeneron Partners is through capital contributions from Amgen and Regeneron, who must make equal payments in order to maintain equal ownership and equal sharing of any profits or losses from the Partnership. The Company has made capital contributions totaling approximately $42.6 million to Amgen-Regeneron Partners from the Partnership's inception in June 1993 through June 30, 1997. The Company expects that its capital contributions in 1997 will total approximately $3.0 million. These contributions could increase or decrease, depending upon the cost of Amgen-Regeneron Partners' conducting additional BDNF and NT-3 preclinical and clinical studies and the outcomes of those and other ongoing studies. Capital contributions in future years are anticipated to be greater than in 1997.

From its inception in January 1988 through June 30, 1997, the Company invested approximately $55.5 million in property, plant, and equipment. This includes $16.8 million to acquire and renovate the Rensselaer facility, $6.3 million of newly completed construction at the facility, and $7.6 million of construction in progress related to the modification of the facility in connection with the Merck Agreement. In connection with the purchase and renovation of the Rensselaer facility, the Company obtained financing of $2.0 million from the New York State Urban Development Corporation, of which $1.8 million is outstanding. Under the terms of such financing, the Company is not permitted to declare or pay dividends to its stockholders.

During 1996, the Company entered into a series of new leasing agreements (the "New Lease Line") which provide up to $4.0 million to finance equipment acquisitions and certain building improvements, as defined (collectively, the "Equipment"). The Company may utilize the New Lease Line in increments ("leases"). Lease terms are for four years after which the Company is required to purchase the Equipment at defined amounts. Certain of the leases may be renewed for eight months at defined monthly payments after which the Company will own the Equipment. At June 30, 1997, the Company had available approximately $0.5 million of the New Lease Line.

The Company expects 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 Company is currently involved in two interference proceedings in the Patent and Trademark Office between Regeneron's patent applications and patents relating to CNTF issued to Synergen, Inc. Amgen acquired all outstanding shares of Synergen in 1994.

As of June 30, 1997, the Company had no established banking arrangements through which it could obtain short-term financing or a line of credit. Additional funds may be raised through, among other things, the issuance of additional securities, other financing arrangements, and future collaboration agreements. No assurance can be given that additional financing will be available or, if available, that it will be available on acceptable terms.

At June 30, 1997, the Company had $129.5 million in cash, cash equivalents, and marketable securities. The Company expects to incur ongoing funding requirements for capital contributions to Amgen-Regeneron Partners to support the continued development and clinical trials of BDNF and NT-3. The Company also expects to incur substantial funding requirements for, among other things, its research and development activities (including preclinical and clinical testing), validation of its manufacturing facilities, and the acquisition of equipment, and may incur substantial funding requirements for expenses related to the patent interference proceedings and other patent matters. The amount needed to fund operations will also depend on other factors, including the status of competitive products, the success of the Company's research and development programs, the status of patents and other intellectual property rights developments, and the continuation, extent, and success of any collaborative research programs (including those with Amgen and Procter & Gamble). The Company expects to incur additional capital expenditures in connection with the renovation and validation of its Rensselaer facility pursuant to its manufacturing agreement with Merck. However, the Company also expects that such expenditures will be substantially reimbursed by Merck, subject to certain conditions. The Company believes that its existing capital resources will enable it to meet operating needs for at least the next several years. No assurance can be given that there will be no change in projected revenues or expenses that would lead to the Company's capital being consumed at a faster rate than currently expected. In order to continue to attempt to assure Regeneron's financial condition and maximize its technological developments for the long-term benefit of shareholders, the Company from time to time seeks additional corporate partners and explores other opportunities to obtain research and development funding. No assurance can be given that such partners or funding will be available or, if available, will be on terms favorable or acceptable to the Company.

Factors That May Affect Future Operating Results

Regeneron cautions stockholders and investors that the following important factors, among others, in some cases have affected, and in the future could affect, Regeneron's actual results and could cause Regeneron's actual results to differ materially from those expressed in any forward-looking statements made by, or on behalf of, Regeneron. 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 the Company's preclinical drug research and development programs to produce product candidates that are scientifically or commercially appropriate for further development by the Company or others.

- Delay, difficulty, or failure in obtaining regulatory approval (including approval of its facilities for production) for the Company's products (including vaccine intermediate for Merck), including delays or difficulties in development because of insufficient proof of safety or efficacy.

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

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

- Competitive or market factors may cause use of the Company's 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 meet the Company's obligations under its collaboration and licensing agreements or to fund 50 percent of the cost of developing product candidates in order to retain 50 percent of the commercialization rights.

- Amount and rate of growth in Regeneron's selling, general, and administrative expenses, and the impact of unusual or infrequent charges resulting from Regeneron's ongoing evaluation of its business strategies and organizational structure.

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

- Difficulties in launching or marketing the Company's products by the Company or its licensees, especially when such products are novel products based on biotechnology, and unpredictability of customer acceptance of such products.

- Inability to maintain or initiate third party arrangements which generate revenues, in the form of license fees, research and development support, royalties, and other payments, in return for rights to technology or products under development by the Company.

- Delays or difficulties in developing and acquiring production technology and technical and managerial personnel to manufacture novel biotechnology products 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 the Company's product candidates.

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

- Underutilization of the Company's 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.

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

- The ability to attract and retain key personnel. As Regeneron's scientific efforts lead to potentially promising new directions, both outside of recombinant protein therapies (into orally active, small molecule pharmaceuticals) and outside of treatments for neurological and neurodegenerative conditions (into, for example, potential programs in cancer, inflammation, muscle disease, bone growth disorders, angiogenesis, and hemopoiesis), the Company will require additional

  internal expertise or external collaborations in areas in which it currently does not have substantial resources and personnel.

Impact of the Adoption of Recently Issued Accounting Standards

In February 1997, the Financial Accounting Standards Board issued Financial Accounting Standard No. 128, "Earnings Per Share" ("SFAS 128"). SFAS 128 will require the Company to replace the current presentation of "primary" per share data with "basic" and "diluted" per share data. Currently, outstanding common stock equivalents are antidilutive and therefore management estimates that the future adoption of SFAS 128 currently will not have a material impact on the Company's per share data. SFAS 128 will be adopted by the Company for periods ending after December 15, 1997.

The Financial Accounting Standards Board issued Financial Accounting Standard No. 130, "Reporting Comprehensive Income" ("SFAS 130") in June 1997. Comprehensive Income represents the change in net assets of a business enterprise as a result of nonowner transactions. Management does not believe that the future adoption of SFAS 130 will have a material effect on the Company's financial position and results of operations. The Company will adopt SFAS 130 for the year ending December 31, 1998.

Also in June 1997, the Financial Accounting Standards Board issued Financial Accounting Standard No. 131, "Disclosures about Segments of an Enterprise and Related Information" ("SFAS 131"). SFAS 131 requires that a business enterprise report certain information about operating segments, products and services, geographic areas of operation, and major customers in complete sets of financial statements and in condensed financial statements for interim periods. The Company is required to adopt this standard in 1998 and is currently evaluating the impact of the standard.

PART II. OTHER INFORMATION

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

On June 27, 1997, the Company conducted its 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 III directors, and until their successors are duly elected and qualified.

2. To amend the Company's Amended and Restated 1990 Long-Term Incentive Plan ("the Long-Term Incentive Plan") to increase by 1,500,000 the number of shares of Regeneron Common Stock available for the grant of options and rights and the award of restricted stock and to clarify and update the Long-Term Incentive Plan.

3. To approve the selection of Coopers & Lybrand L.L.P. as independent accountants for the Company's fiscal year ending December 31, 1997.

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

	For	Withhold Authority
1. Election of Class III Directors		
Charles A. Baker	56,961,600	2,496,950
George L. Sing	56,965,340	2,493,210
Michael S. Brown, M.D.	56,962,400	2,496,150

The terms of office of P. Roy Vagelos, M.D., Leonard S. Schleifer, M.D., Ph.D., Eric M. Shooter, Ph.D., Alfred G. Gilman, M.D., Ph.D., Joseph L. Goldstein, M.D., and Michael S. Brown, M.D. continued after the meeting.

	For	Against	Abstain
2. Amendment of Long-Term Incentive Plan	47,622,010	6,091,980	59,290
3. Selection of accountants	59,211,089	222,836	24,625

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

10.1	Securities Purchase Agreement dated as of May 13, 1997 between the Company and The Procter & Gamble Company
10.2	Warrant Agreement dated as of May 13, 1997 between the Company and The Procter & Gamble Company.
10.3	Registration Rights Agreement dated as of May 13, 1997 between the Company and The Procter & Gamble Company.
*10.4	Multi-Project Collaboration Agreement dated as of May 13, 1997 between the Company and The Procter & Gamble Company.
11	Statement of computation of loss per share for the three months and six months ended June 30, 1997 and 1996.
27	Financial Data Schedule

(b) Reports

On May 13, 1997 the Company filed a report on Form 8-K regarding the fact that the Company issued a press release entitled "Procter & Gamble and Regeneron Form 10-Year Research Collaboration to Discover, Develop Pharmaceutical Products", a copy of which was included as an exhibit to that filing. See footnote 4 in Notes to Condensed Financial Statements, page 7 of this Form 10-Q.

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

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 12, 1997

By: /s/ Murray A. Goldberg

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

EXHIBIT 10.1

SECURITIES PURCHASE AGREEMENT

BY AND BETWEEN

REGENERON PHARMACEUTICALS, INC.

and

THE PROCTER & GAMBLE COMPANY

Dated as of May 13, 1997

TABLE OF CONTENTS

REGENERON PHARMACEUTICALS, INC.
SECURITIES PURCHASE AGREEMENT

This Agreement is made as of May 13, 1997, by and between Regeneron Pharmaceuticals, Inc., a corporation organized under the laws of New York (the "Company"), with its principal office at 777 Old Saw Mill River Road, Tarrytown, New York 10591, and The Procter & Gamble Company, a corporation organized under the laws of Ohio (the "Buyer"), with its principal office at One Procter & Gamble Plaza, Cincinnati, Ohio 45202.

ARTICLE 1

DEFINITIONS

1.1 Certain Definitions. As used in this Agreement, the following terms shall have the following respective meanings:

"Additional Securities" means equity securities that the Company sells to Buyer pursuant to Section 3.2(iii).

"Affiliate" means any corporation, company, partnership, joint venture, or other entity which controls, is controlled by, or is under common control with Buyer. For purposes of this definition control shall mean the direct or indirect ownership of at least fifty (50%) percent or, if less than fifty (50%) percent, the maximum percentage as allowed by applicable law of (a) the shares of capital stock entitled to vote for the election of directors, or (b) ownership interest.

"Buyer's Equity Limitations" means the limitations that in no event (a) may Buyer purchase or own more than 20% of the Outstanding Securities or possess more than 20% of the voting rights of the shares of the Company and, in addition, (b) during the Optional Period may the Buyer be required to purchase Securities or Additional Securities under this Agreement having a Value in the aggregate that exceeds 20% of the Company's cumulative research funding obligations during Fiscal Years 6 through 10 pursuant to the Collaboration Agreement.

"Closing" means the closings of the sale and purchase of Securities and Additional Securities issued and sold to Buyer in accordance with the terms of this Agreement. The first such Closing to be held on the Effective Date shall be called "Closing I." Closings other than Closing I conducted during the Initial Period shall be called "Future Closings." Closings conducted during the Optional Period shall be called "Optional Closings." All Closings, including Closing I, Future Closings, and any Optional Closings, may be generally referred to herein as Closings.

"Collaboration Agreement" means that certain Collaboration Agreement, dated May 13, 1997 between Regeneron Pharmaceuticals, Inc. and The Procter & Gamble Company. The Effective Date of the Collaboration Agreement will be referred to herein as the "Effective Date" and references to "Fiscal Year" shall have the same meaning herein as in the Collaboration Agreement.

"Collateral Agreements" means the Collaboration Agreement, together with the Warrant Agreement between the parties dated as of May 13, 1997 (the "Warrant

Agreement") and the Registration Rights Agreement between the parties dated as of May 13, 1997 (the "Registration Rights Agreement").

"Commission" means the Securities and Exchange Commission, or any other Federal agency at the time administering the Securities Act.

"Common Stock" means the Common Stock, par value $.001 per share, of the Company.

"Current Market Price" means the average (rounded to the nearest cent) of the Quoted Price of the Common Stock for the 30 consecutive trading days commencing 45 trading days before (and not including) the date in question.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and any successor Federal statute, and the rules and regulations of the Commission issued under such Act, as they each may, from time to time, be in effect.

"Exercise Price" means the price for which one share of Common Stock may be purchased by the exercise of one Warrant. The Exercise Price in respect of Warrants issued as part of a sale of Securities sold in Future Closings shall equal the Purchase Price of the Common Stock sold to the Buyer together with the Warrants in such sale of Securities in accordance with Section 3.2(ii). The Exercise Price in respect of Securities sold in Optional Closings shall be determined in accordance with Appendix A.

"Initial Period" means the period beginning on the Effective Date and ending on the fifth anniversary of the Effective Date.

"Initial Securities" means Securities and Additional Securities purchased by Buyer pursuant to this Agreement at Closing I or any Future Closing during the Initial Period having a Value in the aggregate of $60 million.

"Optional Period" means the period beginning on the fifth anniversary of the Effective Date and ending on the tenth anniversary of the Effective Date.

"Optional Securities" means Securities or Additional Securities purchased by Buyer pursuant to this Agreement at an Optional Closing during the Optional Period.

"Outstanding Securities" means the total number of shares of the Company's issued and outstanding Common Stock and all shares of Common Stock (a) into which any issued and outstanding shares of preferred stock and any other securities exchangeable or convertible into Common Stock are exchangeable or convertible and (b) for which any issued, outstanding, and exercisable options or warrants to acquire Common Stock are then exercisable (all such calculations to include such Securities or Additional Securities to be issued at any Closing

with respect to which Outstanding Securities is being calculated).

"Purchase Price" means the price per share of Common Stock sold to Buyer as part of a sale of Securities under this Agreement and as set forth in Section 3.2(iv).

"Quoted Price" means the last reported sales price (rounded to the nearest cent) of the Common Stock as reported by the Nasdaq Stock Market, or if the Common Stock is listed on a national securities exchange, the last reported sales price of the Common Stock on such exchange (which shall be for consolidated trading if applicable to such exchange), or if neither so reported or listed, the last reported bid price of the Common Stock. In the absence of one or more such quotations, the Board of Directors of the

Company shall determine the Current Market Price on the basis of such quotation as it in good faith determines appropriate.

"Securities" means the shares of Common Stock and Warrants issued and sold to Buyer at Closing I and at Future Closings and Optional Closings, in accordance with the terms and conditions of this Agreement. At such Closings, the Company will issue and sell a number of Warrants (rounded to the nearest whole Warrant) equal to the number of shares of Common Stock purchased by Buyer times one-third. Securities shall not include Additional Securities.

"Securities Act" means the Securities Act of 1933, as amended, and any successor Federal statute, and the rules and regulations of the Commission issued under such Act, as they each may, from time to time, be in effect.

"Value" means, in respect of Securities or Additional Securities sold to Buyer at a Closing, the total cash consideration paid by Buyer for such sale.

"Warrants" means the Common Stock Purchase Warrants issued pursuant to the Warrant Agreement to Buyer in connection with the issuance and sale of Securities under this Agreement. Each Warrant purchased by Buyer will entitle Buyer to acquire one share of Common Stock at any time during the five years subsequent to such purchase at the Exercise Price.

ARTICLE II

ISSUANCE AND SALE OF SECURITIES

2.1 Issuance and Sale of Securities. Upon the terms set forth herein, during the Initial Period the Company will issue and sell to Buyer, and Buyer will purchase from the Company, for an aggregate purchase price of up to $60 million payable in immediately available funds and in separate Closings as provided in Section 3.1, Securities or Additional Securities or both. During the Optional Period, at the Company's option, Buyer agrees to purchase from the Company Optional Securities in accordance with the terms set forth below. After the Collaboration Agreement expires or terminates, Buyer shall not be required to purchase further Securities or Additional Securities pursuant to this

Agreement.

ARTICLE III

CLOSINGS

3.1 Closing. The closing of the sale and purchase of the Initial Securities shall take place in separate closings: (i) Closing I, at 4:00 p.m. New York time on the Effective Date simultaneously at the offices of the Company and Buyer or at such other time and place as the parties may agree, and (ii) Future Closings, subject to the conditions set forth in Section 3.4, on such dates and times specified by the Company upon not less than 45 trading days' written notice to the Buyer at the offices of the Company or at such other time and place as the parties may agree.

The Optional Closings of the sale and purchase of any Optional Securities purchased under this Agreement shall take place in separate closings, on such dates and times specified by the Company during the Optional Period, subject to the conditions set forth in Sections 3.4 and 3.5, upon not less than 45 trading days' written notice by the Company to the Buyer or as such other time and place as the parties may agree.

3.2 Purchase of Securities.

(i) On the date of Closing I, subject to the satisfaction (or waiver) of the conditions set forth in Articles VI and VII, the Company shall issue and sell to Buyer and Buyer shall purchase from the Company 4,350,000 shares of Common Stock, and Buyer shall also receive 1,450,000 Warrants, for an aggregate purchase price of $42,934,500. Each Warrant will entitle Buyer to purchase one share of Common Stock at any time during the five years subsequent to Closing I at an Exercise Price of $9.87 per share, in accordance with the Warrant Agreement.

(ii) During the Initial Period, if (x) the aggregate Value of Securities and Additional Securities purchased by Buyer pursuant to this Agreement is less than $60 million and (y) Buyer has not exceeded Buyer's Equity Limitations, the Company may issue and sell to Buyer, and Buyer shall purchase from the Company, Securities or Additional Securities to be determined by the Company with a Value up to the difference between $60 million and the aggregate Value of Securities or Additional Securities purchased in prior Closings, subject to satisfaction (or waiver) of the conditions set forth in Section 3.4 and Articles VI and VII.

(iii) Subject to the Buyer's Equity Limitations, at any time after Closing I until the end of the Optional Period that the Company issues and sells Common Stock or other securities convertible or exchangeable into Common Stock through an underwritten public offering, within 60 days of the closing of such public offering, the Company may at its sole discretion notify Buyer that the Company will issue and sell to Buyer, and Buyer will purchase, the same securities offered and sold in the underwritten public offering on the same terms and conditions as other purchasers of the underwritten securities in lieu

of Securities that otherwise could be issued and sold to Buyer under this Agreement; provided, however, that Buyer shall in no case be required to purchase Additional Securities equal to more than 25% of the securities sold to other purchasers of such securities pursuant to the registration statement filed with respect to the offering of the underwritten securities.

(iv) The Purchase Price of Common Stock issued as part of a sale of Securities during the Initial Period shall be 122% of the Current Market Price. The Purchase Price of Common Stock issued as part of a sale of Securities during the Optional Period shall be the same as the Exercise Price of the Warrant issued as part of the sale of Securities.

3.3 Documents to be Delivered. At any Closing, the Company shall deliver to Buyer a certificate for the Securities being purchased by the Buyer hereunder dated the date thereof and registered in the name of Buyer, and the Buyer shall pay the purchase price for the Securities being purchased by the Buyer hereunder on such date by wire transfer to the Company of immediately available funds, in accordance with the Company's written wiring instructions, against delivery of duly executed certificates representing the Securities being purchased by the Buyer hereunder and the Company shall deliver such certificates against delivery of such purchase price.

3.4 Minimum Purchase Required for Future and Optional Closings; Limitation. During the Initial Period, at any time until Buyer has purchased Securities or Additional Securities having a Value of $58 million, and throughout the Optional Period, Buyer will not be required to purchase and the Company will not be required to issue Securities or Additional Securities or otherwise conduct a Closing unless such Closing would result in Buyer purchasing at least 200,000 shares of Common Stock (or Additional

Securities convertible into at least 200,000 shares of Common Stock) or paying at least $2 million in the aggregate for the purchase of Securities or Additional Securities at such Closing. In no event will Buyer be required to purchase Securities or Additional Securities under this Agreement more frequently than once in any calendar quarter.

3.5 Purchase of Optional Securities. The Company and Buyer hereby agree that during the Optional Period, upon not less than 45 trading days' written notice ("Put Notice"), the Company may issue and sell to Buyer, and Buyer shall purchase from the Company, such amount of Optional Securities to be determined by the Company, subject to Buyer's Equity Limitations and the limitations set forth in Section 3.4 and in the Collateral Agreements (if any). The Company may, but shall not be required to, give a Put Notice at any time during the Optional Period, subject to the limitations contained in this Agreement. The Put Notice shall specify the date, time, and place of the Optional Closing and any other information that the Company deems relevant.

3.6 Lock Up. Buyer agrees that during the period beginning Closing I and ending on the third anniversary of such date (the "Lock-Up Period"), Buyer will not in any way sell or transfer any Securities or Additional Securities purchased by Buyer (except to a wholly-owned subsidiary or affiliate of Buyer,

which shall agree to be bound by the provisions of this Agreement and the Collateral Agreements insofar as they apply hereto), provided, however, Buyer may sell or transfer such Securities or Additional Securities solely for the purpose of reducing Buyer's ownership to no more than 20% of the Outstanding Securities or 20% of the votes represented by the Company's securities.

3.7 Further Agreements Regarding Buyer's Equity Limitations.

(i) During the term of this Agreement, Buyer hereby agrees that Buyer and its affiliates, including any of its pension plans or employee benefit plans, shall not purchase Common Stock or other equities of the Company convertible or exercisable into Common Stock other than pursuant to the terms and conditions of this Agreement. In addition, Buyer agrees that for itself and its affiliates, including any of its pension plans or employee benefit plans, that it will not, during the term of this Agreement or the Collateral Agreements (whichever is later), without the prior written consent of the Company, directly or indirectly, acquire or own beneficially and/or of record securities of the Company in excess of the Buyer's Equity Limitations.

(ii) In the event Buyer directly or indirectly owns beneficially and/or of record securities of the Company in excess of the Buyer's Equity Limitations (as a result of no intentional act or fault of Buyer to exceed its Equity Limitations) and Buyer is in full compliance with the terms and conditions of this Agreement and the Collateral Agreements, subject to the limitations set forth in the next succeeding paragraph, then the Company shall purchase from the Buyer such number of shares of Common Stock and/or Warrants and/or or Additional Securities so that as a result of such purchase by the Company, the Buyer shall not own securities of the Company in excess of the Buyer's Equity Limitations. The Company shall have the sole discretion regarding the nature and amount of Warrants, Common Stock, or Additional Securities it purchases under this Section, provided, however, that the Company will purchase unregistered Common Stock before purchasing registered securities. The purchase price of any shares of Common Stock or other security convertible or exchangable into Common Stock purchased by the Company pursuant to this Section 3.7(ii) shall equal or be determined in the same manner as the then Current Market Price and the purchase price of any Warrants purchased by the Company from the Buyer pursuant to this Section 3.7(ii) shall equal the value of the Warrants determined in accordance with the Black-Scholes model of warrant pricing as set forth in Appendix A.

(iii) The Company shall not be required to purchase any shares of Common Stock and/or Warrants and/or Additional Securities pursuant to Section 3.7(ii) in the event that Buyer owns securities of the Company in excess of Buyer's Equity Limitations as a result of the Company purchasing or retiring shares of its outstanding capital stock.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to Buyer as of the Effective Date, as of the date of any future closings with respect to Sections 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7, 4.8, 4.9 (for the period since the most recent Company SEC report), and 4.10 (except as disclosed in the Company SEC Reports), and 4.11 (except as disclosed in the Company SEC Reports), and as of the date of any applicable Optional Closing as follows:

4.1 Organization and Standing. The Company has been duly incorporated and is validly existing and in good standing under the laws of the State of New York with the corporate power and corporate authority to own and lease its property, to conduct its business as conducted by it in the manner described in the Company SEC Reports (as defined) and to execute and deliver this Agreement and each of the Collateral Agreements. The Company has corporate power and authority to perform and to carry out the transactions contemplated by this Agreement and each of the Collateral Agreements. The Company is qualified to do business and is in good standing in the State of New York.

4.2 Capitalization. As of April 30, 1997, the authorized capital stock of the Company consisted of the following: (a) 60,000,000 shares of Common Stock, of which (i) 20,855,186 shares were issued and outstanding, (ii) 4,335,824 shares were reserved for future issuance upon conversion of the Class A Common Stock, each share of the Class A Common Stock being convertible into one share of Company Common Stock, (iii) 3,328,165 shares were reserved for future issuance under the Company's 1990 Amended and Restated Long-Term Incentive Plan, and (iv) 807,400 shares were reserved for future issuance in accordance with certain warrants issued to Amgen Inc. and Medtronic, Inc.; (b) 40,000,000 shares of Class A Common Stock, of which 4,335,824 were issued and outstanding; and (c) 30,000,000 shares of Preferred Stock, (i) none of which were issued and outstanding, and (ii) 100,000 shares of which are reserved for issuance as Series A Junior Participating Preferred Stock in accordance with the Rights Agreement dated as of September 20, 1996. Except as set forth in the Company SEC Reports, no material change in such capitalization has occurred between April 30, 1997 and the date hereof. All of the issued and outstanding shares of Common Stock, Class A Common Stock, and Preferred Stock have been duly authorized, and all of the issued and outstanding shares of the Common Stock and the Class A Common Stock are validly issued and are fully paid and non-assessable. Except as set forth in the Company SEC Reports or as provided in this Agreement, there is not, nor upon the consummation of the transactions contemplated herein, will there be (i) any subscription, warrant, option, convertible security, or any other right (contingent or otherwise) to purchase or acquire any shares of the capital stock of the Company, (ii) any commitment of the Company to issue any subscription, warrant, option, convertible security, or other such right or to issue or distribute to holders of any share of its capital stock any evidence of indebtedness or assets of the Company, or (iii) any obligation of the Company (contingent or otherwise) to purchase, redeem or otherwise acquire any shares of its capital stock or any interest therein or to pay any dividend or make any other distribution in respect thereof. Except as set forth in the Company SEC Reports or as provided in this Agreement, no person is entitled to, nor upon the consummation of the transactions contemplated thereby will any person be entitled to (i) any preemptive or similar right with respect to the issuance of any capital stock of the Company, or (ii) any

rights with respect to the registration of any capital stock of the Company under the Securities Act.

4.3 Issuance of Securities. As of the time of Closing I, the issuance, sale, and delivery of up to $60 million of Securities under this Agreement have been duly authorized and the Securities have been reserved for issuance by all necessary corporate action on the part of the Company (no consent or approval of the shareholders of the Company being required by law, by the Restated Certificate of Incorporation or Bylaws of the Company, or the qualification criteria of the Nasdaq National Market), and the Securities, when so issued, sold, and delivered against payment therefor in accordance with the provisions of this Agreement, will be duly and validly issued, fully paid, and non-assessable and not subject to preemptive or any other similar rights of the shareholders of the Company or others and free, at time of issuance, of all restrictions on transfer subject to restrictions on transfer imposed by applicable federal and state securities laws.

4.4 Authority for Agreement. The execution, delivery, and performance by the Company of this Agreement and each of the Collateral Agreements have been duly authorized by all necessary corporate action, and this Agreement and each of the Collateral Agreements have been duly executed and delivered and constitute valid and binding obligations of the Company enforceable in accordance with their respective terms, subject to bankruptcy or equitable laws that might affect the enforceability of this Agreement and each of the Collateral Agreements. The execution and delivery by the Company of this Agreement and each of the Collateral Agreements, and the consummation by the Company of the transactions contemplated hereby and thereby (including, without limitation, the issuance and sale of the Securities), will not violate any provision of law and will not conflict with or result in any breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation of any lien, security interest, charge, or encumbrance upon any of the properties, assets or outstanding capital stock of the Company, under the Company's Restated Certificate of Incorporation or Bylaws or any indenture, lease, agreement, or other instrument to which the Company is a party or by which it or any of its properties is bound, or any decree, judgment, order, statute, rule, or regulation applicable to the Company.

4.5 Governmental Consents. No consent, approval, order, or authorization of, or registration, qualification, designation, declaration, or filing with, any governmental or regulatory authority is required on the part of the Company in connection with the execution and delivery of this Agreement and each of the Collateral Agreements, and the consummation of the transactions contemplated hereby and thereby (including, without limitation, the offer, issue, sale, and delivery of the Securities), except such filings as shall have been made or consents or approvals obtained prior to and which shall be effective on and as of the Closing.

Based on the representations and warranties made by Buyer in Article V of this Agreement, the offer and sale of the Shares to Buyer will be in compliance with applicable federal and state securities laws.

4.6 Litigation. Except as set forth in the Company SEC Reports, there

are no material actions, suits, proceedings, or investigations, either at law or in equity, or before any commission or other administrative authority in any United States or foreign jurisdiction, of any kind now pending or, to the best of the Company's knowledge, threatened or proposed involving the Company or any of its properties or assets or which questions the validity or legality of the transactions contemplated hereby, or to the Company's actual knowledge, against its employees or consultants with respect to the Company's business

4.7 SEC Filings; Financial Statements.

(a) The Company has filed all forms, reports and documents required to be filed with the Commission since May 9, 1997 (collectively, the "Company SEC Reports"). The Company SEC Reports (i) were prepared in all material respects in accordance with the requirements of the Securities Act or the Exchange Act, as the case may be, and (ii) did not at the time they were filed (or if amended or superseded by a filing prior to the date of this Agreement, then on the date of such filing) contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(b) Each of the financial statements (including, in each case, any related notes thereto) contained in the Company SEC Reports was prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods involved (except as may be indicated in the notes thereto), and each was complete and correct in all material respects and presented fairly in all material respects presented the financial position of the Company as at the respective dates thereof and the results of its operations and cash flows for the periods indicated, except that the unaudited interim financial statements were or are subject to normal and recurring year-end adjustments which were not or are not expected to be material in amount.

4.8 Brokers. No broker, finder, or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Company.

4.9 No Undisclosed Liabilities. The Company does not have any material liabilities (absolute, accrued, contingent, or otherwise) except liabilities in the aggregate adequately provided for in the Company's unaudited balance sheet (including any related notes thereto) for the quarter ended March 31, 1997 included in the Company's Quarterly Report on Form 10-Q for the quarter year ended March 31, 1997 (the "March 31, 1997 Balance Sheet").

4.10 Absence of Changes. Since May 9, 1997, there has been no material adverse change in the financial condition, business, operations, or assets of the Company.

4.11 No Defaults. The Company is not in default (a) under its Restated Certificate of Incorporation or Bylaws, each as amended or restated to date, or any indenture, mortgage, lease agreement, contract, purchase order or other

instrument to which it is a party or by which it or any of its property is bound or affected or in violation of (b) any order, writ, injunction or decree of any court of any federal, state, municipal, or other governmental department, commission, board, bureau, agency, or instrumentality, domestic or foreign, which defaults, either singly or in the aggregate, would have a material adverse effect on the Company. At the time of the Closing, to the best knowledge of the Company, there will exist no condition, event, or act which constitutes, or which after notice, lapse of time or both would constitute, a material default under any of the foregoing which, either singly or in the aggregate, would have a material adverse effect on the Company.

4.12 Offerings. Except as contemplated by this Agreement or the Company's 1990 Amended and Restated Long-Term Incentive Plan or as otherwise disclosed by the Company to Buyer, the Company does not have any current plans or intentions to issue any shares of its capital stock or any other securities or any securities convertible or exchangeable into shares of Common Stock or any other securities.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF THE BUYER

Buyer hereby represents and warrants to the Company as follows:

5.1 Legal Power. Buyer has the requisite legal power to enter into this Agreement and the Collateral Agreements, to purchase the Securities and or Additional Securities hereunder, and to carry out and perform its obligations under the terms of this Agreement and the Collateral Agreements.

5.2 Due Execution. This Agreement and the Collateral Agreements have been duly authorized, executed, and delivered by Buyer, and, upon due execution and delivery by the Company, this Agreement and the Collateral Agreements will be valid and binding agreements on Buyer enforceable in accordance with their respective terms, subject to laws of general application relating to bankruptcy, insolvency, and the relief of debtors and rules of law governing specific performance, injunctive relief, or other equitable remedies and compliance with the requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

5.3 Investment Representations.

(a) Buyer is acquiring the Securities for its own account, not as nominee or agent, for investment and not with a view to, or for resale in connection with, any distribution or public offering thereof within the meaning of the Securities Act.

(b) Buyer understands that (i) the Securities have not been registered under the Securities Act by reason of a specific exemption therefrom, that they must be held by it indefinitely, and that it must, therefore, bear the economic risk of such investment indefinitely, unless a subsequent disposition thereof is registered under the Securities Act or is exempt from such registration; and

(ii) each certificate representing the Securities will be endorsed with the restrictive legend set forth in the Registration Rights Agreement.

(c) Buyer is aware of the provisions of Rule 144 promulgated under the Securities Act which permits limited resale of shares purchased in a private placement (i) by non-affiliates of a company not less than two (2) years after such non-affiliate had purchased and paid for the security to be sold, or (ii) subject to the satisfaction of certain conditions, including, among other things, the existence of a public market for the shares, the availability of certain current public information about the Company, the resale occurring not less than one (1) year after a party has purchased and paid for the security to be sold, the sale being through a "broker's transaction" or in transactions directly with a "market maker" (as provided by Rule 144(f)) and the number of shares being sold during any three-month period not exceeding specified limitations.

5.4 Brokerage. There are no claims for brokerage commissions, finders fees, or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of Buyer.

ARTICLE VI

CONDITIONS TO CLOSING OF BUYER

Buyer's obligation to purchase Securities at Closing I and at any Optional Closing in respect of the purchase and sale of Securities is subject to the fulfillment to Buyer's satisfaction, at or prior to Closing I, as of the date of any future closings with respect to Sections 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7, 4.8, 4.9 (for the period since the most recent Company SEC report), and 4.10 (except as disclosed in the Company SEC Reports), and 4.11 (except as disclosed in the Company SEC Reports), and any applicable Optional Closing, of all of the following conditions, any of which may be waived by Buyer:

6.1 Representations and Warranties True; Performance of Obligations. The representations and warranties made by the Company in Article IV hereof shall be true and correct on the date of the Closing with the same force and effect as if they had been made on and as of said date; and the business, financial condition, operations, and assets of the Company shall not have been adversely affected in any material way prior to the Closing.

6.2 Collateral Agreements. The Company and Buyer shall have entered into a Collaboration Agreement substantially in the form of Exhibit A hereto, a Warrant Agreement substantially in the form of Exhibit B hereto, and a Registration Rights Agreement substantially in the form of Exhibit C hereto.

6.3 Opinion of the Company's Counsel. Buyer shall have received from the General Counsel to the Company, an opinion letter substantially in the form attached hereto as Exhibit C, addressed to it, dated the date of the Closing. In rendering the opinion called for under this Section 6.3, counsel may rely as to

factual matters on certificates of public officials, officers of the Company, and officers of Buyer.

6.4 Proceedings and Documents. All corporate and other proceedings in connection with the transactions required to be performed under this Agreement at the Closing and all documents and instruments incident to such transactions shall have been reasonably approved by Buyer and Buyer shall have received all such counterpart originals or certified or other copies of such documents as it may reasonably request.

ARTICLE VII

CONDITIONS TO CLOSING OF THE COMPANY

The Company's obligations to issue and sell the Securities or Additional Securities at each Closing is subject to the fulfillment to the Company's satisfaction, on or prior to each Closing, of the following conditions, any of which may be waived by the Company:

7.1 Representations and Warranties True. The representations and warranties made by Buyer in Article 4 hereof shall be true and correct on the date of the Closing, with the same force and effect as if they had been made on and as of said date.

7.2 Performance of Obligations. Buyer shall have performed and complied with all agreements and conditions herein required to be performed or complied with by it on or before the Closing.

7.3 Qualifications, Legal Investment. All authorizations, approvals or permits, if any, of any governmental authority or regulatory body of the United States or of any state that are required to be obtained prior to or at the Closing in connection with the lawful sale and issuance of the Securities or Additional Securities pursuant to this Agreement shall have been duly obtained and shall be effective on and as of the Closing. At the time of the Closing, the sale and issuance of the Securities or Additional Securities shall be legally permitted by all laws and regulations to which Buyer and the Company are subject.

7.4 Collateral Agreements. The Company and Buyer shall have entered into a Collaboration Agreement substantially in the form of Exhibit A hereto, a Warrant Agreement substantially in the form of Exhibit B hereto, and a Registration Rights Agreement substantially in the form of Exhibit C hereto.

ARTICLE VIII

MISCELLANEOUS

8.1 Governing Law. This Agreement shall be governed by and construed under the laws of the State of New York.

8.2 Survival. The representations, warranties, covenants and agreements made herein shall survive the Closing for the period prescribed by the applicable statute of limitations. All statements as to factual matters contained in any certificate or other instrument delivered by or on behalf of the Company pursuant hereto or in connection with the transactions contemplated hereby shall be deemed to be representations and warranties by the Company hereunder as of the date of such certificate or instrument.

8.3 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit or, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto.

8.4 Entire Agreement. This Agreement, the Exhibits hereto, and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement along the parties with regard to the subjects hereof and no party shall be liable or bound to any other party in any manner by any representations, warranties, covenants or agreements except as specifically set forth herein or therein. Nothing in this Agreement, express or implied, is intended to confer upon any party, other than the parities hereto and their respective successors and assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein.

8.5 Separability. In case any provision of this Agreement shall be invalid, illegal or unenforceable, it shall to the extent practicable, be modified so as to make it valid, legal and enforceable and to retain as nearly as practicable the intent of the parties, and the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

8.6 Amendment and Waiver. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance, either retroactively or prospectively, and either for a specified period of time or indefinitely), only with the written consent of the Company and Buyer.

8.7 Delays or Omissions. No reasonable delay or omission to exercise any right, power or remedy accruing to Buyer upon any breach, default or noncompliance of the Company under this Agreement shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such breach, default or noncompliance, or any acquiescence therein, or of any similar breach, default or noncompliance thereafter occurring. It is further agreed that any waiver, permit, consent or approval of any kind or character on Buyer's part of any breach, default or noncompliance under this Agreement or any waiver on Buyer's part of any provisions or conditions of this Agreement must be in writing and shall be effective only to the extent specifically set forth in such writing, and that all remedies, either under this Agreement, by law, or otherwise afforded to buyer, shall be cumulative and not alternative.

8.8 Notices, etc. 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 below. 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
One Procter & Gamble Plaza
Cincinnati, Ohio 45202

With copy to:

Procter & Gamble Pharmaceuticals, Inc.
Attn: Associate General Counsel
Blue Ash Office Center
10200 Alliance Road
Cincinnati, Ohio 45242-4716

8.9 Titles and Subtitles. The titles of the paragraphs and subparagraphs of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

8.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one instrument. The foregoing Agreement is hereby executed as of the date first above written.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, as of the day and year first written above.

REGENERON PHARMACEUTICALS, INC.

By:_____

THE PROCTER & GAMBLE COMPANY

By:_____

APPENDIX A

For Securities sold during the Optional Period, the Exercise Price of the Warrant shall be determined such that the excess of the Exercise Price over the Current Market Price equals one-third of the value of the Warrant, rounded to the nearest whole cent. The value of the Warrant shall be determined using the Black-Scholes model with the following values:

Term of Warrant: Five years

Stock Price: Current Market Price

Dividend: The actual cash dividend per share of Common Stock paid by the Company in the immediately prior twelve months

Interest rate: The interest rate on 5-year Treasury notes as reported in The Wall Street Journal on the last trading day used to calculate Current Market Price or, if no such rate is reported for that date, the last day prior to that date for which such an interest rate is reported. The interest rate shall be the effective yield on Treasury notes maturing in the same month five years from the date of calculation or the average of such yields if more than one yield is reported for that month or the average of the yields for the months closest to the date of calculation if no yields are reported for that month.

Volatility: The actual volatility of daily closing bid prices of Common Stock during the three full calendar years immediately preceding the year in which the Closing in question occurs.

Example (for illustration only):
If the Current Market Price of Common Stock is $8.50 and the interest rate (calculated as above) is 6.75%, and the volatility (calculated as above) is 80%, then for an Exercise Price of a Warrant of $10.35, the value of a Warrant would be $5.56 (per Black-Scholes) and (1) the excess of the Exercise Price over the Current Market Price would be $1.85 [$10.35 - $8.50] and (2) one-third of the value of the Warrant equals $1.85 [$5.56 / 3].

EXHIBIT 10.2

WARRANT AGREEMENT

BY AND BETWEEN

REGENERON PHARMACEUTICALS, INC.

and

THE PROCTER & GAMBLE COMPANY

Dated as of May 13, 1997

TABLE OF CONTENTS

THIS WARRANT AGREEMENT (the "Agreement") is dated as of May 13, 1997 and entered into by and between Regeneron Pharmaceuticals, Inc., a New York corporation (the "Company"), and The Procter & Gamble Company, an Ohio corporation ("Procter & Gamble").

WHEREAS, the Company proposes to issue to Procter & Gamble, or its designee, Common Stock Purchase Warrants, as hereinafter described (the "Warrants"), to purchase shares of Common Stock, $.001 par value (the "Common Stock"), of the Company (the Common Stock issuable on exercise of the Warrants being referred to herein as the "Warrant Shares"), pursuant to a Securities Purchase Agreement dated as of the date hereof (the "Securities Purchase Agreement").

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein set forth, the parties hereto agree as follows:

SECTION 1. Warrant Certificates. The certificates evidencing the Warrants (the "Warrant Certificates") to be delivered pursuant to this Agreement shall be in registered form only and shall be substantially in the form set forth in EXHIBIT A attached hereto.

SECTION 2. Execution of Warrant Certificates. Warrant Certificates shall be signed on behalf of the Company by its Chairman of the Board or its President or a Vice President and by its Secretary or an Assistant Secretary under its corporate seal. Each such signature upon the Warrant Certificates may be in the form of a facsimile signature of the present or any future Chairman of the Board, President, Vice President, Secretary or Assistant Secretary and may be imprinted or otherwise reproduced on the Warrant Certificates and for that purpose the Company may adopt and use the facsimile signature of any person who shall have been Chairman of the Board, President, Vice President, Secretary, or Assistant Secretary, notwithstanding the fact that at the time the Warrant Certificates shall be delivered or disposed of he shall have ceased to hold such office.

In case any officer of the Company who shall have signed any of the Warrant Certificates shall cease to be such officer before the Warrant Certificates so signed shall have been disposed of by the Company, such Warrant Certificates nevertheless may be delivered or disposed of as though such person had not ceased to be such officer of the Company; and any Warrant Certificate may be signed on behalf of the Company by any person who, at the actual date of the execution of such Warrant Certificate, shall be a proper officer of the Company to sign such Warrant Certificate, although at the date of the execution of this Warrant Agreement any such person was not such officer.

SECTION 3. Registration. The Company shall number and register the Warrant Certificates in a register as they are issued.

SECTION 4. Registration of Transfers and Exchanges. The Company shall from time to time register the transfer of any outstanding Warrant Certificates in a Warrant register to be maintained by the Company upon surrender of such Warrant Certificates accompanied by a written instrument or instruments of transfer in form satisfactory to the Company, duly executed by the registered

holder or holders thereof or by the duly appointed legal representative thereof or by a duly authorized attorney. Upon any such registration of transfer, a new Warrant Certificate shall be issued to the transferee(s) and the surrendered Warrant Certificate shall be cancelled and disposed of by the Company.

The Warrant holders agree that each certificate representing Warrant Shares will bear the following legend:

"THIS WARRANT AND THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL, IN THE CASE OF THE SHARES, SUCH SHARES ARE REGISTERED UNDER SUCH ACT OR, IN THE CASE OF THIS WARRANT AND THE SHARES, AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY IS OBTAINED TO THE EFFECT THAT SUCH REGISTRATION IS NOT REQUIRED."

The Warrant holders further agree that they shall not offer, sell, or otherwise transfer the Warrants or Warrant Shares in violation of the foregoing legend.

Warrant Certificates may be exchanged at the option of the holder(s) thereof, when surrendered to the Company at its office for another Warrant Certificate or other Warrant Certificates of like tenor and representing in the aggregate a like number of Warrants. Warrant Certificates surrendered for exchange shall be cancelled and disposed of by the Company.

In the event that a holder of Warrants (a "Selling Holder") desires to transfer all or any part of its ownership of Warrants, the Company shall have the following right of first refusal exercisable in connection with any such transfer. The Selling Holder shall give the Company written notice specifying the identify of the proposed purchasers, the number of Warrants to be sold, the proposed purchase price, and the terms of the proposed purchase (the "Notice"). The Company shall have fifteen (15) days from the date of receiving the Notice within which to exercise the right to acquire all or part of the Warrants that are being offered at the price and upon the terms set forth in the Notice. Such right shall be exercisable by written notice to the Selling Holder. If the Company elects to purchase all or any part of the Warrants described in the Notice, the Selling Holder shall consummate such transaction within thirty (30) days form the date of the Notice, provided, in the event that the Company elects to exercise its right to purchase part of the Warrants proposed to be sold in the Notice, that such purchase would not decrease the price of each remaining Warrant proposed to be sold in the Notice. If the Company does not elect to purchase all or any part of such offered Warrants, then within sixty (60) days from the date of the Notice, the Selling Holder may transfer all or part of such Warrants to the proposed purchaser(s) on the terms and at the purchase price specified in the Notice.

Subject to the foregoing right of first refusal of the Company and the provisions of this Agreement, any holder may transfer all or any part of its ownership of Warrants, provided that such sale, assignment, pledge, mortgage,

transfer or other disposition is not being made to an entity in the pharmaceutical or biotechnology business, unless more than 50% of the voting control of such entity is owned by the transferring holder. Notwithstanding the foregoing, any holder of Warrants may transfer its Warrants to any wholly-owned affiliate or subsidiary of such holder, whether now in existence or hereafter created, formed or organized.

SECTION 5. Warrants; Exercise of Warrants. A Warrant may be exercised upon surrender to the Company at its office designated for such purpose (the

address of which is set forth in Section 13 hereof) of the certificate or certificates evidencing the Warrants to be exercised with the form of election to purchase duly filled in and signed, which signature shall be guaranteed by a bank or trust company having an office or correspondent in the United States or a broker or dealer which is a member of a registered securities exchange or the National Association of Securities Dealers, Inc., and upon payment to the Company of the exercise price (the "Exercise Price") which will be set forth in Warrant Certificate, a form of which is attached hereto as Exhibit A, subject to adjustment pursuant to Section 10, for the number of Warrant Shares in respect of which such Warrants then exercised. Payment of the aggregate Exercise Price shall be made in cash or by certified or official bank check payable to the order of the Company.

Subject to the provisions of Section 6 hereof, upon such surrender of Warrants and payment of the Exercise Price the Company shall issue and cause to be delivered with all reasonable dispatch to or upon the written order of the holder and in such name or names as the Warrant holder may designate, a certificate or certificates for the number of full Warrant Shares issuable upon the exercise of such Warrants together with cash as provided in Section 11; provided, however, that if any reclassification, consolidation, merger or lease or sale of assets is proposed to be effected by the Company as described in subsection (l) of Section 10 hereof, or a tender offer or an exchange offer for shares of Common Stock of the Company shall be made, upon such surrender of Warrants and payment of the Exercise Price as aforesaid, the Company shall, as soon as possible, but in any event not later than two business days thereafter, issue and cause to be delivered the full number of Warrant Shares issuable upon the exercise of such Warrants in the manner described in this sentence together with cash as provided in Section 11. Such certificate or certificates shall be deemed to have been issued and any person so designated to be named therein shall be deemed to have become a holder of record of such Warrant Shares as of the date of the surrender of such Warrants and payment of the Exercise Price.

The Warrants shall be exercisable, at the election of the holders thereof, either in full or from time to time in part and, in the event that a certificate evidencing Warrants is exercised in respect of fewer than all of the Warrant Shares issuable on such exercise at any time prior to the date of expiration of the Warrants, a new certificate evidencing the remaining Warrant or Warrants will be issued and delivered pursuant to the provisions of this Section and of Section 2 hereof.

All Warrant Certificates surrendered upon exercise of Warrants shall be cancelled and disposed of by the Company. The Company shall keep copies of this Agreement and any notices given or received hereunder available for inspection by the holders during normal business hours at its office.

SECTION 6. Payment of Taxes. The Company will pay all documentary stamp taxes, if any, attributable to the initial issuance of Warrant Shares upon the exercise of Warrants.

SECTION 7. Mutilated or Missing Warrant Certificates. In case any of the Warrant Certificates shall be mutilated, lost, stolen or destroyed, the Company may in its discretion issue, in exchange and substitution for and upon cancellation of the mutilated Warrant Certificate, or in lieu of and substitution for the Warrant Certificate lost, stolen or destroyed, a new Warrant Certificate of like tenor and representing an equivalent number of Warrants, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction of such Warrant Certificate and indemnity, if requested, also reasonably satisfactory to it. Applicants for such substitute Warrant Certificates shall also comply with such other reasonable regulations and pay such other reasonable charges as the Company may prescribe.

SECTION 8. Reservation of Warrant Shares. The Company will at all times reserve and keep available, free from preemptive rights, out of the aggregate of its authorized but unissued Common Stock or its authorized and issued Common Stock held in its treasury, for the purpose of enabling it to satisfy any obligation to issue Warrant Shares upon exercise of the Warrants, the maximum number of shares of Common Stock which may then be deliverable upon the exercise of all the outstanding Warrants.

The Company or, if appointed, the transfer agent for the Common Stock (the "Transfer Agent") and every subsequent transfer agent for any shares of the Company's capital stock issuable upon the exercise of any of the rights of purchase aforesaid will be irrevocably authorized and directed at all times to reserve such number of authorized shares as shall be required for such purpose. The Company will keep a copy of this Agreement on file with the Transfer Agent and with every subsequent transfer agent for any shares of the Company's capital stock issuable upon the exercise of the rights of purchase represented by the Warrants. The Company will furnish such Transfer Agent a copy of all notices of adjustments and certificates related thereto, transmitted to each holder pursuant to Section 12 hereof.

Before taking any action which would cause an adjustment pursuant to Section 10 hereof to reduce the Exercise Price below the then par value (if any) of the Warrant Shares, the Company will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares at the Exercise Price as so adjusted.

The Company covenants that all Warrant Shares which may be issued upon exercise of Warrants will, upon issue, be fully paid, nonassessable, free of

preemptive rights and free from all documentary stamp taxes, liens, charges and security interests with respect to the issue thereof.

SECTION 9. Obtaining Stock Exchange Listings. The Company will from time to time take all action which may be necessary so that the Warrant Shares, immediately upon their issuance upon the exercise of Warrants, will be listed on the principal securities exchanges and markets within the United States of America, if any, on which other shares of Common Stock are then listed.

SECTION 10. Adjustment of Exercise Price and Number of Warrant Shares Issuable. The Exercise Price and the number of Warrant Shares issuable upon the exercise of each Warrant are subject to adjustment from time to time upon the occurrence of the events enumerated in this Section 10. For purposes of this Section 10, "Common Stock" means shares now or hereafter authorized of any class of common stock of the Company and any other stock of the Company, however designated, that has the right (subject to any prior rights of any class or series of preferred stock) to participate in any distribution of the assets or earnings of the Company without limit as to per share amount, including, without limitation, the Class A Common Stock, par value $.001, of the Company.

(a) Adjustment for Change in Capital Stock.

If the Company:

(1) pays a dividend or makes a distribution on its Common Stock in shares of its Common Stock;

(2) subdivides its outstanding shares of Common Stock into a greater number of shares; or

(3) combines its outstanding shares of Common Stock into a smaller number of shares;

then the Exercise Price in effect immediately prior to such action shall then be adjusted in accordance with the formula:

$$E_1 = E \times \frac{O}{A}$$

Where:

E_1 = the adjusted Exercise Price

E = the current Exercise Price

O = the number of shares of Common Stock outstanding prior to such action

A = the number of shares of Common Stock outstanding immediately after such action

In the case of a dividend or distribution the adjustment shall become effective immediately after the record date for determination of holders of shares of Common Stock entitled to receive such dividend or distribution, and in the case of a subdivision or combination, the adjustment shall become effective immediately after the effective date of such corporate action.

If after an adjustment a holder of a Warrant upon exercise of it may receive shares of two or more classes of capital stock of the Company, the Company shall determine the allocation of the adjusted Exercise Price between the classes of capital stock. After such allocation, the exercise privilege, the number of shares issuable upon such exercise, and the Exercise Price of each class of capital stock shall thereafter be subject to adjustment on terms comparable to those applicable to Common Stock in this Section 10.

Such adjustment shall be made successively whenever any event listed above shall occur.

(b) Adjustment for Rights Issue.

If the Company distributes any rights, options or warrants to all holders of its Common Stock entitling them at any time after the record date mentioned below to purchase shares of Common Stock at a price per share less than the Current Market Price (as defined in SECTION 10(f)) per share of Common Stock on that record date, the Exercise Price shall be adjusted in accordance with the formula:

$$E_1 = E \times \frac{O + \frac{N \times P}{M}}{O + N}$$

where:

E_1 = the adjusted Exercise Price.

E = the current Exercise Price.

O = the number of shares of Common Stock outstanding on the record date.

N = the number of additional shares of Common Stock issuable upon exercise of the rights, options or warrants offered.

P = the exercise price per share of the additional shares issuable upon exercise of the rights, options or warrants.

M = the Current Market Price per share of Common Stock on the record date.

The adjustment shall be made successively whenever any such rights, options or warrants are issued and shall become effective immediately after the record date for the determination of stockholders entitled to receive the rights, options or warrants. If at the end of the period during which such rights, options or warrants are exercisable, not all rights, options or warrants shall have been exercised, the Exercise Price shall be immediately readjusted to what it would have been if "N" in the above formula had been the number of shares actually issued.

(c) Adjustment for other Distributions.

If the Company distributes to all holders of its Common Stock any of its assets (including but not limited to securities and cash), debt securities, capital stock, or any rights or warrants to purchase assets, debt securities, capital stock, or other securities of the Company, the Exercise Price shall be adjusted in accordance with the formula:

$$E^1 = E \times \frac{M - F}{M}$$

where:

E^1 = the adjusted Exercise Price.

E = the current Exercise Price.

M = the Current Market Price per share of Common Stock on the record date mentioned below.

F = the fair market value on the record date of the assets, debt securities, capital stock or rights or warrants applicable to one share of Common Stock. The Board of Directors shall determine the fair market value.

The adjustment shall be made successively whenever any such

distribution is made and shall become effective immediately after the record date for the determination of stockholders entitled to receive the distribution.

This subsection does not apply to (i) dividends, distributions, combinations or issuances referred to in subsection (a) of this Section 10, (ii) rights, options or warrants

referred to in subsection (b) of this Section 10, or (iii) non-extraordinary quarterly cash dividends distributed to all holders of Common Stock.

(d) Adjustment for Common Stock Issue.

If the Company issues shares of Common Stock for a consideration per share less than the Current Market Price per share of Common Stock on the date the Company fixes the offering price of such additional shares, the Exercise Price shall be adjusted in accordance with the formula:

$$E_1 = E \times \frac{O + \frac{P}{M}}{A}$$

where:

E_1 = the adjusted Exercise Price.

E = the then current Exercise Price.

O = the number of shares outstanding immediately prior to the issuance of such additional shares.

P = the aggregate consideration received for the issuance of such additional shares.

M = the Current Market Price per share of Common Stock on the date of issuance of such additional shares.

A = the number of shares outstanding immediately after the issuance of such additional shares.

The adjustment shall be made successively whenever any such issuance is made, and shall become effective immediately after such issuance.

This subsection (d) does not apply to:

(1) the exercise of Warrants,

(2) rights, options, warrants or other distributions referred to in subsections (b), (c) or (e) of this Section 10,

(3) Common Stock issued to the Company's directors, employees and non-employee service providers under bona fide benefit plans adopted by the Board of Directors and approved by the holders of Common Stock when required by law, if such Common Stock would otherwise be covered by this subsection (d),

(4) Common Stock issued in a bona fide public offering pursuant to a firm commitment underwriting, or

(5) issuances of shares of Common Stock for a consideration per share less than 100%, but greater than 92%, of the Current Market Price per share of Common Stock on the date the Company fixes the offering price of such additional shares.

(e) Adjustment for Convertible Securities Issue.

If the Company issues any securities convertible into or exchangeable for Common Stock (other than securities issued in transactions described in subsections (b) and (c) of this Section 10) for a consideration per share of Common Stock initially deliverable upon conversion or exchange of such securities less than the Current Market Price per share of Common Stock on the date of issuance of such securities, the Exercise Price shall be adjusted in accordance with this formula:

$$E_1 = E \times \frac{O + \frac{P}{M}}{O + D}$$

where:

E_1 = the adjusted Exercise Price.

E = the then current Exercise Price.

O = the number of shares outstanding immediately prior to the issuance of such securities.

P = the aggregate consideration received for the issuance of such securities.

M = the Current Market Price per share of Common Stock on the date of issuance of such securities.

D = the maximum number of shares deliverable upon conversion or in exchange for such securities at the initial conversion or exchange rate.

The adjustment shall be made successively whenever any such issuance is made, and shall become effective immediately after such issuance.

If all of the Common Stock deliverable upon conversion or exchange of such securities have not been issued when such securities are no longer outstanding, then the Exercise Price shall promptly be readjusted to the Exercise Price which would then be in effect had the adjustment upon the issuance of such securities been made on the basis of the actual number of shares of Common Stock issued upon conversion or exchange of such securities.

This subsection (e) does not apply to convertible securities issued in a bona fide public offering pursuant to a firm commitment underwriting, nor does this subsection apply to issuances of any securities convertible into or exchangeable for Common Stock for a consideration per share of Common Stock initially deliverable upon conversion or exchange of such securities less than 100%, but greater than 92%, of the Current Market Price per share of Common Stock on the date of issuance of such securities.

(f) Current Market Price.

As used in this Agreement, the "Current Market Price" means the average (rounded to the nearest cent) of the Quoted Price of the Common Stock for the 30 consecutive trading days commencing 45 trading days before (and not including) the date in question. The "Quoted Price" of the Common Stock is the last reported sales price of the Common Stock as reported by Nasdaq National Market, or if the Common Stock is listed on a national securities exchange, the last reported sales price of the Common Stock on such exchange (which shall be for consolidated trading if applicable to such exchange), or if neither so reported or listed, the last reported bid price of the Common Stock. In the absence of one or more such quotations, the Board of Directors of the Company shall determine the Current Market Price on the basis of such quotations as it in good faith considers appropriate.

(g) Consideration Received.

For purposes of any computation respecting consideration received pursuant to subsections (d) and (e) of this Section 10, the following shall apply:

(1) in the case of the issuance of shares of Common Stock for cash, the consideration shall be the amount of such cash, provided that in no case shall any deduction be made for any commissions, discounts or other expenses incurred by the Company for any underwriting of the issue or otherwise in connection therewith;

(2) in the case of the issuance of shares of Common Stock for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair market value thereof as determined in good faith by the Board of Directors (irrespective of the accounting treatment thereof), whose determination shall be conclusive, and described in a Board resolution; and

(3) in the case of the issuance of securities convertible into or exchangeable for shares, the aggregate consideration received therefor shall be deemed to be the consideration received by the Company for the issuance of such securities plus the additional minimum consideration, if any, to be received by the Company upon the conversion or exchange thereof (the consideration in each case to be determined in the same manner as provided in clauses (1) and (2) of this subsection).

(h) When De Minimis Adjustment May Be Deferred.

No adjustment in the Exercise Price need be made unless the adjustment would require an increase or decrease of at least 1% in the Exercise Price. Any adjustments that are not made shall be carried forward and taken into account in any subsequent adjustment.

All calculations under this Section shall be made to the nearest cent or to the nearest 1/100th of a share, as the case may be.

(i) When No Adjustment Required.

No adjustment need be made for a transaction referred to in subsections (a), (b), (c), (d) or (e) of this Section 10 if Warrant holders are to participate in the transaction on a basis and with notice that the Board of Directors determines to be fair and appropriate in light of the basis and notice on which holders of Common Stock participate in the transaction.

No adjustment need be made for any issuances pursuant to the Securities Purchase Agreement dated May 13, 1997.

No adjustment need be made for rights to purchase Common Stock pursuant to a Company plan for reinvestment of dividends or interest.

No adjustment need be made for a change in the par value or no par value of the Common Stock.

If the Company distributes or issues rights to all holders of its Common Stock pursuant to a shareholder rights plan, then no adjustment shall be made pursuant to this SECTION 10 upon such distribution or issuance if, upon exercise of the Warrants, each holder thereof receives the same type and number of unexpired rights it would have received (as adjusted for any event described in Section 10(a) or 10(l)) had it exercised its Warrants, and been a holder of the Warrant Shares issuable upon exercise thereof, prior to the record date for such distribution or issuance.

To the extent Warrants become convertible into cash, no adjustment need be made thereafter as to the cash. Interest will not accrue on the cash.

(j) Notice of Adjustment.

Whenever the Exercise Price is adjusted, the Company shall provide the notices required by Section 12 hereof.

(k) Voluntary Reduction.

The Company from time to time may reduce the Exercise Price by any amount for any period of time if the period is at least 20 days and if the reduction is irrevocable during the period; provided, however, that in no event may the Exercise Price be less than the par value of a share of Common Stock.

Whenever the Exercise Price is reduced pursuant to subsection 10(k), the Company shall mail to Warrant holders a notice of the reduction. The Company shall mail the notice at least 15 days before the date the reduced Exercise Price takes effect. The notice shall state the reduced Exercise Price and the period it will be in effect.

A reduction of the Exercise Price does not change or adjust the Exercise Price otherwise in effect for purposes of subsections (a), (b), (c), (d) and (e) of this Section 10.

(l) Reorganization of Company.

If any reclassification of the Common Stock of the Company or any consolidation or merger of the Company with another entity, or the sale or lease of all or substantially all of the Company's assets to another entity shall be effected in such a way that holders of the Common Stock of the Company shall be

entitled to receive stock, securities or assets with respect to or in exchange for such Common Stock, then, as a condition precedent to such reclassification, consolidation,

merger, sale or lease, lawful and adequate provisions shall be made whereby the Warrant holder shall thereafter have the right to purchase and receive upon the basis and the terms and conditions specified in this Agreement and in lieu of the shares of Common Stock immediately theretofore purchasable and receivable upon the exercise of the rights represented hereby, such shares of stock, securities or assets as may be issued or payable in such reclassification, consolidation, merger, sale or lease with respect to or in exchange for the number of shares of Common Stock purchasable and receivable upon the exercise of the rights represented hereby had such rights been exercised immediately prior thereto, and in any such case appropriate provision shall be made with respect to the rights and interests of the holders of the Warrants to the end that the provisions hereof (including without limitation provisions for adjustments of the Exercise Price and of the number of shares of Common Stock purchasable and receivable upon the exercise of the Warrant) shall thereafter be applicable, as nearly as may be, in relation to any shares of stock, securities or assets thereafter deliverable upon the exercise hereof. The Company will not effect any such reclassification, consolidation, merger, sale or lease, unless prior to the consummation thereof the successor corporation (if other than the Company) resulting from such reclassification, consolidation or merger or the corporation purchasing or leasing such assets shall assume by a supplemental Warrant Agreement, executed and mailed or delivered to the holders of the Warrants at the last address thereof appearing on the books of Company, the obligation to deliver to such holders such shares of stock, securities or assets as, in accordance with the foregoing provisions, such holders may be entitled to purchase.

If the issuer of securities deliverable upon exercise of Warrants under the supplemental Warrant Agreement is an affiliate of the formed, surviving, transferee or lessee corporation, that issuer shall join in the supplemental Warrant Agreement.

If this subsection (l) applies, subsections (a), (b), (c), (d) and (e) of this Section 10 do not apply.

(m) Company Determination Final.

Any determination that the Company or the Board of Directors must make pursuant to this Section 10 is conclusive.

(n) When Issuance or Payment May Be Deferred.

In any case in which this Section 10 shall require that an adjustment in the Exercise Price be made effective as of a record date for a specified event, the Company may elect to defer until the occurrence of such event (i) issuing to the holder of any Warrant exercised after such record date the Warrant Shares and other capital stock of the Company, if any, issuable upon

such exercise over and above the Warrant Shares and other capital stock of the Company, if any, issuable upon such exercise on the basis of the Exercise Price and (ii) paying to such holder any amount in cash in lieu of a fractional share pursuant to Section 11; provided, however, that the Company shall deliver to such holder a due bill or other appropriate instrument evidencing such holder's right to receive such additional Warrant Shares, other capital stock and cash upon the occurrence of the event requiring such adjustment.

(o) Adjustment in Number of Shares.

Upon each adjustment of the Exercise Price pursuant to this SECTION 10, each Warrant outstanding prior to the making of the adjustment in the Exercise Price shall thereafter evidence the right to receive upon payment of the adjusted Exercise Price that number of shares of Common Stock (calculated to the nearest hundredth) obtained from the following formula:

$$N^1 = N \times \frac{E}{E^1}$$

where:

N^1 = the adjusted number of Warrant Shares issuable upon exercise of a Warrant by payment of the adjusted Exercise Price.

N = the number of Warrant Shares previously issuable upon exercise of a Warrant by payment of the Exercise Price prior to adjustment.

E^1 = the adjusted Exercise Price.

E = the Exercise Price prior to adjustment.

(p) Form of Warrants.

Irrespective of any adjustments in the Exercise Price or the number or kind of shares purchasable upon the exercise of the Warrants, Warrants theretofore or thereafter issued may continue to express the same price and number and kind of shares as are stated in the Warrants initially issuable pursuant to this Agreement.

SECTION 11. Fractions Interests. The Company shall not be required to issue fractional Warrant Shares on the exercise of Warrants. If more than one Warrant shall be presented for exercise in full at the same time by the same holder, the number of full Warrant Shares which shall be issuable upon the exercise thereof shall be computed on the basis of the aggregate number of Warrant Shares purchasable on exercise of the Warrants so presented. If any fraction of a Warrant Share would, except for the provisions of this SECTION 11,

be issuable on the exercise of any Warrants (or specified portion thereof), the Company shall pay an amount in cash equal to the Current Market Price on the day immediately preceding the date the Warrant is presented for exercise, multiplied by such fraction.

SECTION 12. Notices to Warrant Holders. Upon any adjustment of the Exercise Price pursuant to Section 10, the Company shall promptly thereafter (i) cause to be filed with the Company a certificate of a firm of independent public accountants of recognized standing selected by the Board of Directors of the Company (who may be the regular auditors of the Company) setting forth the Exercise Price after such adjustment and setting forth in reasonable detail the method of calculation and the facts upon which such calculations are based and setting forth the number of Warrant Shares (or portion thereof) issuable after such adjustment in the Exercise Price, upon exercise of a Warrant and payment of the adjusted Exercise Price, which certificate shall be conclusive evidence of the correctness of the matters set forth therein, and (ii) cause to be given to each of the registered holders of the Warrant Certificates at his address appearing on the Warrant register written notice of such adjustments by first-class mail, postage prepaid. Where appropriate, such notice may be given in advance and included as a part of the notice required to be mailed under the other provisions of this Section 12.

In case:

(a) the Company shall authorize the issuance to all holders of shares of Common Stock of rights, options or warrants to subscribe for or purchase shares of Common Stock or of any other subscription rights or warrants; or

(b) the Company shall authorize the distribution to all holders of shares of Common Stock of evidences of its indebtedness or assets (other than cash dividends or cash distributions payable out of earnings or earned surplus or dividends or distributions payable in shares of Common Stock); or

(c) of any consolidation or merger to which the Company is a party and for which approval of any shareholders of the Company is required, or of the conveyance or transfer of all or substantially all of the properties and assets of the Company, or of any reclassification or change of Common Stock issuable upon exercise of the Warrants (other than a change in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination), or a tender offer or exchange offer for shares of Common Stock; or

(d) of the voluntary or involuntary dissolution, liquidation or winding up of the Company; or

(e) the Company proposes to take any action that would require an adjustment in the Exercise Price pursuant to subsections (a), (b), (c), (d) or (e) of Section 10 and if the Company does not arrange for Warrant holders to participate pursuant to subsection (i) of Section 10, or if the Company takes

any action that would require a supplemental Warrant Agreement pursuant to subsection (l) of Section 10, then the Company shall cause to be given to each of the registered holders of the Warrant Certificates at his address appearing on the Warrant register, at least 20 days (or 10 days in any case specified in clauses (a), (b) or (c) above) prior to the applicable record date hereinafter specified, or promptly in the case of events for which there is no record date, by first-class mail, postage prepaid, a written notice stating (i) the date as of which the holders of record of shares of Common Stock to be entitled to receive any such rights, options, warrants or distribution are to be determined, or (ii) the initial expiration date set forth in any tender offer or exchange offer for shares of Common Stock, or (iii) the date on which any such consolidation, merger, conveyance, transfer, dissolution, liquidation or winding up is expected to become effective or consummated, and the date as of which it is expected that holders of record of shares of Common Stock shall be entitled to exchange such shares for securities or other property, if any, deliverable upon such reclassification, consolidation, merger, conveyance, transfer, dissolution, liquidation or winding up. The failure to give the notice required by this Section 12 or any defect therein shall not affect the legality or validity of any distribution, right, option, warrant, consolidation, merger, conveyance, transfer, dissolution, liquidation or winding up, or the vote upon any action.

Nothing contained in this Agreement or in any of the Warrant Certificates shall be construed as conferring upon the holders thereof the right to vote or to consent or to receive notice as shareholders in respect of the meetings of shareholders or the election of Directors of the Company or any other matter, or any rights whatsoever as shareholders of the Company.

SECTION 13. Notices to Company and Warrant Holder. Unless otherwise provided herein, any notice, request, instruction or other document to be given hereunder by any party to the others shall be in writing and delivered in person or by courier, telegraphed, telexed or by facsimile transmission (with receipt confirmed), or mailed by certified mail, postage prepaid, return receipt requested (such mailed notice to be effective on the date such receipt is acknowledged), as follows:

If to the Company:

Regeneron Pharmaceuticals, Inc.
777 Old Saw Mill River Road
Tarrytown, New York 10591-6707
Attn: Corporate Secretary
Telecopy No.: (914) 347-2113

With a copy to:

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

Telecopy No.: (914) 345-7721

If to Warrant Holder:
The Procter & Gamble Company
One Procter & Gamble Plaza
Cincinnati, Ohio 45202
Attn: President

With a copy to:

Procter & Gamble Pharmaceuticals, Inc.
Blue Ash Office Center
10200 Alliance Road
Cincinnati, Ohio 45242-4716
Attn: Associate General Counsel

or to such other place and with such other copies as either party may designate as to itself by written notice to the others.

SECTION 14. Supplements and Amendments. The Company may not supplement or amend this Agreement without the prior written approval of the holders of Warrant Certificates affected by such supplement or amendment.

SECTION 15. Successors. All the covenants and provisions of this Agreement by or for the benefit of the Company shall bind and inure to the benefit of its respective successors and assigns hereunder.

SECTION 16. Termination. This Agreement shall terminate at 5:00 p.m., New York time on the fifth anniversary of the issuance of the final Warrant issued pursuant to the Securities Purchase Agreement dated May 13, 1997. Notwithstanding the foregoing, this Agreement will terminate on any earlier date if all Warrants have been exercised.

SECTION 17. Governing Law. This Agreement and each Warrant Certificate issued hereunder shall be deemed to be a contract made under the laws of the State of New York and for all purposes shall be construed in accordance with the internal laws of said State.

SECTION 18. Benefits of This Agreement. Nothing in this Agreement shall be construed to give to any person or corporation other than the Company and the registered holders of the Warrant Certificates any legal or equitable right, remedy or claim

under this Agreement; but this Agreement shall be for the sole and exclusive benefit of the Company and the registered holders of the Warrant Certificates.

SECTION 19. Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

[Signature Page To Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, as of the day and year first above written.

REGENERON PHARMACEUTICALS, INC.

By: _____
Name:
Title:

- ----------
Seal

Attest: _____
Secretary

THE PROCTER & GAMBLE COMPANY

By: _____
Name:
Title:

- ----------
Seal

Attest: _____
Secretary

EXHIBIT A

[Form of Warrant Certificate]

THIS WARRANT AND THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL, WITH RESPECT TO THE SHARES, SUCH SHARES ARE REGISTERED UNDER SUCH ACT OR, WITH RESPECT TO THIS WARRANT OR THE SHARES, AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY IS OBTAINED TO THE EFFECT THAT SUCH REGISTRATION IS NOT REQUIRED.

EXERCISABLE ON OR BEFORE 5:00 P.M., NEW YORK TIME, _____, 20__

No. _____
Warrants

Warrant Certificate

REGENERON PHARMACEUTICALS, INC.

This Warrant Certificate certifies that The Procter & Gamble Company., or registered assigns, is the registered holder of _____ Warrants expiring _____, 20__ (the "Warrants") to purchase Common Stock, $.001 par value (the "Common Stock"), of Regeneron Pharmaceuticals, Inc., a New York corporation (the "Company"). Each Warrant entitles the holder to receive from the Company upon exercise on or before 5:00 p.m. New York Time on _____ __, 20__, one fully paid and nonassessable share of Common Stock (a "Warrant Share") at the initial exercise price (the "Exercise Price") of $_____ payable in lawful money of the United States of America upon surrender of this Warrant Certificate and payment of the Exercise Price as defined in the Securities Purchase Agreement at the office of the Company designated for such purpose, subject to the conditions set forth herein and in the Warrant Agreement referred to herein.

No Warrant may be exercised after 5:00 p.m., New York Time on _____,200__, and to the extent not exercised by such time such Warrants shall become void.

The Warrants evidenced by this Warrant Certificate are issued pursuant to a Warrant Agreement dated as of May 13, 1997 (the "Warrant Agreement"), duly executed and delivered by the Company, which Warrant Agreement is hereby incorporated by reference in and made a part of this instrument and is hereby referred to for a description of the rights, limitation of rights, obligations, duties and immunities thereunder of the Company and the holders (the words "holders" or "holder" meaning the registered holders or registered holder) of the Warrants. A copy of the Warrant Agreement may be obtained by the holder hereof upon written request to the Company. This Warrant is being issued pursuant to the Securities Purchase Agreement dated May 13, 1997.

Warrants may be exercised at any time on or before 5:00 p.m., New York time on _____ __, 20__. The holder of Warrants evidenced by this Warrant Certificate may exercise them by surrendering this Warrant Certificate, with the form of election to purchase set forth hereon properly completed and executed, together with payment of the Exercise Price at the office of the Company designated for such purpose. In the event that upon any exercise of Warrants evidenced hereby the number of Warrants exercised shall be less than the total number of Warrants evidenced hereby, there shall be issued to the holder hereof or his assignee a new Warrant Certificate evidencing the number of Warrants not exercised. No adjustment shall be made for any dividends on any Common Stock issuable upon exercise of this Warrant.

The Warrant Agreement provides that upon the occurrence of certain events the Exercise Price set forth on the face hereof may, subject to certain conditions, be adjusted. If the Exercise Price is adjusted, the Warrant Agreement provides that the number of shares of Common Stock issuable upon the exercise of each Warrant shall be adjusted. No fractions of a share of Common Stock will be issued upon the exercise of any Warrant, but the Company will pay the cash value thereof determined as provided in the Warrant Agreement.

The holders of Warrants are entitled to certain registration rights with respect to the Common Stock purchasable upon exercise thereof. Said registration rights are set forth in full in a Registration Rights Agreement dated as of May 13, 1997, between the Company and Procter & Gamble. A copy of the Registration Rights Agreement may be obtained by the holder hereof upon written request to the Company.

Warrant Certificates, when surrendered at the office of the Company by the registered holder thereof in person or by legal representative or attorney duly authorized in writing, may be exchanged, in the manner and subject to the limitations provided in the Warrant Agreement, but without payment of any service charge, for another Warrant Certificate or Warrant Certificates of like tenor evidencing in the aggregate a like number of Warrants.

Upon due presentation for registration of transfer of this Warrant Certificate at the office of the Company a new Warrant Certificate or Warrant Certificates of like tenor and evidencing in the aggregate a like number of Warrants shall be issued to the transferee(s) in exchange for this Warrant Certificate, subject to the limitations provided in the Warrant Agreement, without charge except for any tax or other governmental charge imposed in connection therewith.

The Company may deem and treat the registered holder(s) thereof as the absolute owner(s) of this Warrant Certificate (notwithstanding any notation of ownership or other writing hereon made by anyone), for the purpose of any exercise hereof, of any distribution to the holder(s) hereof, and for all other purposes, and the Company shall not be affected by any notice to the contrary. Neither the Warrants nor this Warrant Certificate entitles any holder hereof to any rights of a stockholder of the Company.

This Warrant Certificate shall not be valid unless countersigned by the Company, as such term is used in the Warrant Agreement.

This Warrant Certificate shall not be offered, sold or otherwise transferred in violation of the legend on the first page hereof.

[Signature Page To Follow]

IN WITNESS WHEREOF, the Company has caused this Warrant

Certificate to be signed by its President and by its Secretary and has caused its corporate seal to be affixed hereunto or imprinted hereon.

Dated: _____ , ____

REGENERON PHARMACEUTICALS, INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

[Form of Election to Purchase]

(To Be Executed Upon Exercise Of Warrant)

The undersigned hereby irrevocably elects to exercise the right, represented by this Warrant Certificate, to receive _____ shares of Common Stock and herewith tenders payment for such shares to the order of REGENERON PHARMACEUTICALS, INC. in the amount of $_____ in accordance with the terms hereof. The undersigned requests that a certificate for such shares be registered in the name of _____, whose address is _____ and that such shares be delivered to _____ whose address is _____. If said number of shares is less than all of the shares of Common Stock purchasable hereunder, the undersigned requests that a new Warrant Certificate representing the remaining balance of such shares be registered in the name of [ ], whose address is _____, and that such Warrant Certificate be delivered to _____, whose address is _____.

Signature: _____

Date: _____

Signature Guaranteed: _____

EXHIBIT A

[Form of Warrant Certificate]

THIS WARRANT AND THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL, WITH RESPECT TO THE SHARES, SUCH SHARES ARE REGISTERED UNDER SUCH ACT OR, WITH RESPECT TO THIS WARRANT OR THE SHARES, AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY IS OBTAINED TO THE EFFECT THAT SUCH REGISTRATION IS NOT REQUIRED.

EXERCISABLE ON OR BEFORE 5:00 P.M., NEW YORK TIME, _____, 20__

No. _____ Warrants

Warrant Certificate

REGENERON PHARMACEUTICALS, INC.

This Warrant Certificate certifies that The Procter & Gamble Company., or registered assigns, is the registered holder of _____ Warrants expiring _____, 20__ (the "Warrants") to purchase Common Stock, $.001 par value (the "Common Stock"), of Regeneron Pharmaceuticals, Inc., a New York corporation (the "Company"). Each Warrant entitles the holder to receive from the Company upon exercise on or before 5:00 p.m. New York Time on _____ __, 20__, one fully paid and nonassessable share of Common Stock (a "Warrant Share") at the initial exercise price (the "Exercise Price") of $_____ payable in lawful money of the United States of America upon surrender of this Warrant Certificate and payment of the Exercise Price as defined in the Securities Purchase Agreement at the office of the Company designated for such purpose, subject to the conditions set forth herein and in the Warrant Agreement referred to herein.

No Warrant may be exercised after 5:00 p.m., New York Time on _____, 200__, and to the extent not exercised by such time such Warrants shall become void.

The Warrants evidenced by this Warrant Certificate are issued pursuant to a Warrant Agreement dated as of May 13, 1997 (the "Warrant Agreement"), duly executed and delivered by the Company, which Warrant Agreement is hereby incorporated by reference in and made a part of this instrument and is hereby referred to for a description of the rights, limitation of rights, obligations, duties and immunities thereunder of the Company and the holders (the words "holders" or "holder" meaning the registered holders or registered holder) of the Warrants. A copy of the Warrant Agreement may be obtained by the holder hereof upon written request to the Company. This Warrant is being issued pursuant to the Securities Purchase Agreement dated May 13, 1997.

Warrants may be exercised at any time on or before 5:00 p.m., New York time on _____ __, 20__. The holder of Warrants evidenced by this Warrant Certificate may exercise them by surrendering this Warrant Certificate, with the form of election to purchase set forth hereon properly completed and executed, together with payment of the Exercise Price at the office of the Company designated for such purpose. In the event that upon any exercise of Warrants evidenced hereby the number of Warrants exercised shall be less than the total number of Warrants evidenced hereby, there shall be issued to the holder hereof or his assignee a new Warrant Certificate evidencing the number of Warrants not exercised. No adjustment shall be made for any dividends on any Common Stock issuable upon exercise of this Warrant.

The Warrant Agreement provides that upon the occurrence of certain events the Exercise Price set forth on the face hereof may, subject to certain conditions, be adjusted. If the Exercise Price is adjusted, the Warrant Agreement provides that the number of shares of Common Stock issuable upon the exercise of each Warrant shall be adjusted. No fractions of a share of Common Stock will be issued upon the exercise of any Warrant, but the Company will pay the cash value thereof determined as provided in the Warrant Agreement.

The holders of Warrants are entitled to certain registration rights with respect to the Common Stock purchasable upon exercise thereof. Said registration rights are set forth in full in a Registration Rights Agreement dated as of May 13, 1997, between the Company and Procter & Gamble. A copy of the Registration Rights Agreement may be obtained by the holder hereof upon written request to the Company.

Warrant Certificates, when surrendered at the office of the Company by the registered holder thereof in person or by legal representative or attorney duly authorized in writing, may be exchanged, in the manner and subject to the limitations provided in the Warrant Agreement, but without payment of any service charge, for another Warrant Certificate or Warrant Certificates of like tenor evidencing in the aggregate a like number of Warrants.

Upon due presentation for registration of transfer of this Warrant Certificate at the office of the Company a new Warrant Certificate or Warrant Certificates of like tenor and evidencing in the aggregate a like number of Warrants shall be issued to the transferee(s) in exchange for this Warrant Certificate, subject to the limitations provided in the Warrant Agreement, without charge except for any tax or other governmental charge imposed in connection therewith.

The Company may deem and treat the registered holder(s) thereof as the absolute owner(s) of this Warrant Certificate (notwithstanding any notation of ownership or other writing hereon made by anyone), for the purpose of any exercise hereof, of any distribution to the holder(s) hereof, and for all other purposes, and the Company shall not be affected by any notice to the contrary. Neither the Warrants nor this Warrant Certificate entitles any holder hereof to any rights of a stockholder of the Company.

This Warrant Certificate shall not be valid unless countersigned by the Company, as such term is used in the Warrant Agreement.

This Warrant Certificate shall not be offered, sold or otherwise transferred in violation of the legend on the first page hereof.

[Signature Page To Follow]

IN WITNESS WHEREOF, the Company has caused this Warrant Certificate to be signed by its President and by its Secretary and has caused its corporate seal to be affixed hereunto or imprinted hereon.

Dated: _____ , ____

REGENERON PHARMACEUTICALS, INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

[Form of Election to Purchase]

(To Be Executed Upon Exercise Of Warrant)

The undersigned hereby irrevocably elects to exercise the right, represented by this Warrant Certificate, to receive _____ shares of Common Stock and herewith tenders payment for such shares to the order of REGENERON PHARMACEUTICALS, INC. in the amount of $_____ in accordance with the terms hereof. The undersigned requests that a certificate for such shares be registered in the name of _____, whose address is _____ and that such shares be delivered to _____ whose address is _____. If said number of shares is less than all of the shares of Common Stock purchasable hereunder, the undersigned requests that a new Warrant Certificate representing the remaining balance of such shares be registered in the name of [ ], whose address is _____, and that such Warrant Certificate be delivered to _____, whose address is _____.

Signature: _____

Date: _____

Signature: _____

Guaranteed: _____

EXHIBIT 10.3

REGISTRATION RIGHTS AGREEMENT

between

REGENERON PHARMACEUTICALS, INC.
and THE PROCTER & GAMBLE COMPANY

May 13, 1997

TABLE OF CONTENTS

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement, is made as of May 13, 1997, by and between Regeneron Pharmaceuticals, Inc., a New York corporation (the "Company"), and The Procter & Gamble Company, an Ohio corporation (the "Purchaser").

1. Introduction and Certain Definitions. The Company is a party to a Securities Purchase Agreement (the Securities Purchase Agreement), dated May 13, 1997, with the Purchaser and pursuant to which the Company has agreed, among other things, to issue shares of its common stock, par value .001 per share (the Common Stock) and warrants to purchase shares of Common Stock, to the Purchaser. This Agreement shall become effective upon the issuance of such securities to the Purchaser pursuant to the Securities Purchase Agreement. Certain capitalized terms used in this Agreement are defined below; references to sections shall be to sections of this Agreement. Terms not otherwise defined herein shall have the meanings assigned to them in the Securities Purchase Agreement.

1.1. As used in this Agreement, the following terms shall have the following respective meanings:

"Affiliate" means any corporation, company, partnership, joint venture, or other entity which controls, is controlled by, or is under common control with Purchaser. For purposes of this definition control shall mean the direct or indirect ownership of at least fifty (50%) percent or, if less than fifty (50%) percent, the maximum percentage as allowed by applicable law of (a) the shares of capital stock entitled to vote for the election of directors, or (b) ownership interest.

"Agent" means any Person authorized to act on behalf of Purchaser with respect tot he transactions contemplated by this Agreement.

"Collaboration Agreement" means that certain Collaboration Agreement, dated May 13, 1997 between Regeneron Pharmaceuticals, Inc. and The Procter & Gamble Company. The Effective Date of the Collaboration Agreement, as that term is defined therein, shall also be referred to herein as the "Effective Date" hereof.

"Commission" means the Securities and Exchange Commission, or any other Federal agency at the time administering the Securities Act.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and any successor Federal statute, and the rules and regulations of the Commission issued under such Act, as they each may, from time to time, be in effect.

"NASD" means the National Association of Securities Dealers, Inc.

"Person" means an individual, partnership, corporation, limited liability company, trust or incorporated organization, or other business entity, or a government or agency or political subdivision thereof.

"Prospectus" means the prospectus included in any Registration

Statement, as amended or supplemented by any prospectus supplement with respect to the terms of the offering of any portion of the Registrable Securities covered by the Registration Statement and by all other amendments and supplements to the prospectus, including post-effective amendments and all material incorporated by reference in such prospectus.

"Registrable Securities" means (i) the Common Stock and the Warrant Shares acquired by the Purchaser pursuant to the Securities Purchase Agreement (ii) any other shares of Common Stock of the Company issued in respect of such shares (because of stock splits, stock dividends, reclassifications, recapitalization, or similar event); provided, however, that shares of Common Stock which are Registrable Securities shall cease to be Registrable Securities upon any sale of such shares pursuant to a Registration Statement, Section 4(1) of the Securities Act, or Rule 144 under the Securities Act, or any sale in any manner to a person or entity which is not entitled to the rights provided by this Agreement, or when such Registrable Securities shall have been otherwise transferred, new certificates for them not bearing a legend restricting transfer under the Securities Act shall have been delivered by the Company and they may be publicly resold without subsequent registration under the Securities Act or in compliance with Rule 144 thereunder; provided, further, however, that any securities that have ceased to be Registrable Securities cannot thereafter become Registrable Securities.

"Registration" means a registration of the Company's securities for sale to the public under a Registration Statement.

"Registration Statement" means a registration statement filed by the Company with the Commission for a public offering and sale of securities of the Company (other than a registration statement on Form S-8 or Form S-4, or their successor forms, or any other form for a limited purpose, or any registration statement covering only securities proposed to be issued in exchange for securities or assets of another corporation).

"Registration Expenses" means the expenses described in subsection 2.3.

"Securities Act" means the Securities Act of 1933, as amended, and any successor Federal statute, and the rules and regulations of the Commission issued under such Act, as they each may, from time to time, be in effect.

"Underwritten Registration or Underwritten Offering" means a Registration in which the securities of the Company are sold to an underwriter for reoffering to the public.

"Warrant Shares" means any shares of Common Stock issued or issuable upon exercise of any of the Warrants.

2 Securities Subject to this Agreement.

2.1 Registrable Securities. The securities entitled to the benefits of this Agreement are the Registrable Securities. The rights of the holders of the Registrable Securities may be limited by rights of other holders of the Company's securities who entered into agreements with the Company before the effective date of this Agreement including, without limitation, the rights obtained by Amgen Inc. in a certain Registration Rights Agreement dated April 15, 1996 with the Company.

2.2 Holders of Registrable Securities. A Person is deemed to a holder of Registrable Securities whenever such Person owns Registrable Securities or has the right to acquire such Registrable Securities, whether or not such ownership or right was acquired pursuant to the Securities Purchase Agreement or the Warrant Agreement, and whether or not such acquisition has actually been effected and disregarding any legal restrictions upon the exercise of such right.

2.3 Sale or Transfer of Company's Common Stock; Legend.

(a) The Registrable Securities shall not be sold or transferred unless either (i) they first shall have been registered under the Securities Act, or (ii) the Company first shall have been furnished with an opinion of legal counsel, reasonably satisfactory to the Company, to the effect that such sale or transfer is exempt from the registration requirements of the Securities Act.

(b) Notwithstanding the foregoing, no registration or opinion of counsel shall be required for a transfer made in accordance with Rule 144 under the Securities Act.

(c) Each certificate representing the Registrable Securities shall bear a legend substantially in the following form:

> The shares represented by this certificate have not been registered under the Securities Act of 1933, as amended, and may not be offered, sold, or otherwise transferred, pledged, or hypothecated unless and until such shares are registered under such Act or an opinion of counsel reasonably satisfactory to the Company is obtained to the effect that such registration is not required. Additionally, the transfer of these shares is subject to the conditions specified in the Registration Rights Agreement dated as of May 13, 1997, between Regeneron Pharmaceuticals, Inc. and The Procter & Company, and no transfer of these shares shall be valid or effective until such conditions have been fulfilled. Upon the fulfillment of such conditions, Regeneron Pharmaceuticals, Inc., has agreed to deliver to the holder hereof a new certificate for the shares represented hereby registered in the name of the holder hereof. Copies of such agreement may be obtained at no cost by written request made by the holder of record of this certificate to the secretary of Regeneron Pharmaceuticals, Inc.

The foregoing legend shall be removed from the certificates representing any Registrable Securities, at the request of the holder thereof, at such time as such shares become eligible for resale pursuant to Rule 144(k) under the Securities Act or such shares become publicly tradable pursuant to an effective Registration Statement.

3. Demand Registrations.

3.1 Demand by Holders. The holders of a majority of Registrable Securities, at any time from and after the third anniversary of the Effective Date, may make a total of two written requests to the Company for Registration of Registrable Securities under and in accordance with the provisions of the Securities Act of all or part of the Registrable Securities. Any such Registration requested shall hereinafter be referred to as a "Demand Registration." Each request for a Demand Registration shall specify the kind and aggregate amount of Registrable Securities to be registered and the intended methods of disposition thereof. Upon such request for a Demand Registration, the Company shall use its best efforts to promptly effect the Registration of such Registrable Securities under (i) the Securities Act, and (ii) subject to Section 6, the blue sky laws of such jurisdictions as any holder of such Registrable Securities requesting such Registration or any underwriter, if any, may reasonably request. The Company shall also use its best efforts to have all such Registrable Securities registered with or approved by such other federal or state governmental agencies or authorities as may be necessary in the opinion of counsel to the Company and counsel to the holders of a majority of such Registrable Securities to consummate the disposition of such Registrable Securities.

Notwithstanding the foregoing, the Company shall not be obligated to effect a Demand Registration if all (but not less than all) of the shares requested to be registered could

immediately be sold by such holders under Rule 144 under the Securities Act at a price substantially equivalent to the prevailing market price. The final determination of whether all of the shares could immediately be sold under Rule 144 shall be made in good faith by counsel for holders of the Registrable Securities after, among other things, considering the possible affiliate status of any such holder. The Company shall have the burden of establishing that the shares could immediately be sold at a price substantially equivalent to the prevailing market price. Any request for a Demand Registration not effected pursuant to the provisions of this paragraph shall not count against the two requests specified in the preceding paragraph.

3.2 Effective Registration. Subject to the last paragraph of Section 6, the Company shall be deemed to have effected a Demand Registration if the Registration Statement relating to such Demand Registration is declared effective by the SEC and remains effective for at least 90 days; provided, however, that no Demand Registration shall be deemed to have been effected if

(i) such registration, after it has become effective, is interfered with by any stop order, injunction or other order or requirement of the SEC or other governmental agency or court for any reason not attributable to the selling holders of Registrable Securities, or (ii) the conditions to closing specified in the purchase agreement or underwriting agreement entered into in connection with such registration are not satisfied, other than by reason of a failure on the part of the selling holders of Registrable Securities or any underwriter referred to in Section 3.4.

3.3 Registration Statement Form. Registrations under this Section 3 shall be on such appropriate registration form of the SEC as shall permit the disposition of such Registrable Securities in accordance with the intended method or methods of disposition specified in such holders' requests for such Registration. If, in connection with any Registration under this Section 3 which is proposed by the Company to be on Form S-3 or any successor form to such Form, the managing underwriter (if any) or holders of a majority of the Registrable Securities requesting a Demand Registration shall advise the Company in writing that in its opinion additional disclosure not required by such form is of material importance to the success of the offering, then such Registration shall include such additional disclosure.

3.4 Selection of Underwriters. If at any time or from time to time during the time period applicable to Demand Registrations any of the holders of the Registrable Securities covered by a Registration Statement desire to sell Registrable Securities in an Underwritten Offering, the investment banker or investment bankers that will manage the offering will be selected as follows:

(a) Managing Underwriter. A majority of the holders of Registrable Securities shall select three (or, if such holder(s) desires, more than three) nationally recognized investment banking firms as candidates for the offering, each of which is ready, willing and able to act as the managing underwriter, and shall provide a list of such candidates to the Company. Not later than five business days following the receipt of such list, the Company shall: (i) choose one of three candidates to act as the managing underwriter for the offering and (ii) notify the holders of a majority of Registrable Securities of such choice.

(b) Co-Managers. The investment banking firm(s), if any, that will serve as co-manager(s) of the offering will be selected by holders of a majority of Registrable Securities.

3.5 Registration of Other Securities. Whenever the Company shall effect a Registration pursuant to this Section 3 in connection with an Underwritten Offering by one or more holders of Registrable Securities, no securities other than Registrable Securities shall be included among the securities covered by such Registration if the managing underwriter of such offering shall have advised each selling holder of Registrable Securities to be covered by such Registration in writing (with a copy to the Company) that, in its opinion, the number of securities requested to

be included in such Registration exceeds the number which can be sold in such offering within a price range acceptable to the selling holders of a majority of the Registrable Securities requested to be included in such Registration. If no such notice or letter is provided, the Company may include shares of Common Stock for its own account or for the account of other shareholders of the Company having the right to include such shares in a Registration Statement filed by the Company with the SEC.

3.6 Priority Among Holders of Registrable Securities in Requested Registration. If the managing underwriter of an Underwritten Offering pursuant to this Section 3 advises each of the holders of Registrable Securities in writing (with a copy to the Company) that less than all of the Registrable Securities proposed to be included in such offering should be included (using the same standard described in subsection 3.5 hereof), then the amount of Registrable Securities to be offered for the accounts of holders of Registrable Securities shall be reduced pro rata, based on the number of Registrable Securities owned by such holders.

3.6 Delay of Requested Registration. Notwithstanding anything to the contrary contained in this Section 3, if following a request for a Demand Registration the Company provides prompt written notification to all holders of Registrable Securities specifying the nature of any Delay Event described below, then the filing of the Registration Statement pursuant to the request for Demand Registration may be delayed by the Company for a period not to exceed six months from the date of its receipt of the written request for the Demand Registration or such shorter period provided below; provided, however, that such right to delay a request may be exercised by the Company not more than once in any two year period. A "Delay Event" shall be defined as any of the following: (1) the Company will file within 60 days following its receipt of the written request for Demand Registration, a Registration Statement for the public offering of securities for the account of the Company; (2) if the Securities Act or the rules or regulations thereunder, or the form on which the Registration Statement for the Demand Registration is to be filed, requires the filing of financial statements which are not yet available (in which case, the Company shall prepare or cause such statements to be prepared in a reasonably timely and diligent manner and promptly thereafter file the Registration Statement); (3) at the time of the request for Demand Registration, the Company is engaged in a material transaction or has an undisclosed material corporate development, and in either case, which would be required to be disclosed under the federal securities laws in the Registration Statement, but the Company's Board of Directors has made a good faith determination that making such disclosure at such time would materially adversely affect such transaction or development (in which case, the Company shall disclose the matter as promptly as practicable and promptly thereafter file the Registration Statement); or (4) at the time of the request of the Demand Registration, the Company is engaged in any financing (except the type described in clause (1) above) (in which case the Company shall file the Registration Statement no later than 30 days following its receipt of the written request for Demand Registration).

4. Piggyback Registrations.

4.1 Participation. Subject to Section 4.2 hereof, if at any time from and after the third anniversary of the Effective Date, the Company proposes to

file a Registration Statement under the Securities Act with respect to any offering of any of its shares of Common Stock, whether or not by the Company for its own account (other than (i) a registration on Form S-4 (or otherwise in connection with non-cash offerings, exchange offers, mergers or recapitalizations) or S-8 or any successor form to such Forms, or (ii) any registration of securities as it relates to an offering and sale to directors or employees of, or non-employee service providers to, the Company under bona fide benefits plans adopted by the Board of Directors of the Company and approved by the holders of Common Stock when required by law), then, as promptly as practicable, the Company shall give written notice of such proposed filing to each holder of Registrable Securities

and such notice shall offer the holders of Registrable Securities the opportunity to register such number of Registrable Securities as each such holder may request (a "Piggyback Registration"). Subject to Section 4.2, the Company shall include in such Registration Statement all Registrable Securities requested within 15 days after the receipt of any such notice (which request shall specify the Registrable Securities intended to be disposed of by such holder) to be included in the Registration for such offering pursuant to a Piggyback Registration. Notwithstanding the foregoing, the Company shall not be obligated to include in a Piggyback Registration the shares of Registrable Securities requested to be included by a holder of Registrable Securities if: (i) all (but not less than all) of the shares requested to be included by that holder could immediately be sold by that holder under Rule 144 under the Securities Act at a price substantially equivalent to the prevailing market price and (ii) the Company provides to that holder a written waiver and consent allowing such holder to sell or otherwise dispose of all of such shares requested to be included without limitation to the restrictions imposed by Section 5.1 hereof. The final determination of whether all of the shares could immediately be sold under Rule 144 shall be made in good faith by counsel for such holder after, among other things, considering the possible affiliate status of such holder. The Company shall have the burden of establishing that the shares could immediately be sold at a price substantially equivalent to the prevailing market price. Each holder of Registrable Securities shall be permitted to withdraw all or part of such holder's Registrable Securities from a Piggyback Registration at any time prior to the effective date thereof.

4.2 Underwriter's Cutback. The Company shall use its best efforts to cause the managing underwriter or underwriters of a proposed Underwritten Offering to permit the Registrable Securities requested to be included in the Registration for such offering under Section 4.1 (the "Piggyback Securities"), to be included on the same terms and conditions as any similar securities included therein. Notwithstanding the foregoing, if the managing underwriter of any such proposed Underwritten Offering informs the Company and the holders of such Piggyback Securities in writing that, in its opinion, the number of shares of Common Stock (including the Piggyback Securities) requested to be included in such Registration exceeds the number which can be sold in such offering within a

price range acceptable to the party who has requested the filing of the Registration Statement (the Company or other holders of the Company's Common Stock, as the case may be, hereafter referred to as the "Requesting Party"), then the shares of Common Stock to be included in such Registration shall be the number that can be sold within a price range acceptable to the Requesting Party, selected (i) first, from the shares of Common Stock originally proposed by the Requesting Party to be included in the Registration for such offering, (ii) second, and only if all the shares of Common Stock referenced in clause (i) have been included, from shares of Common Stock subject to piggyback registration rights originally proposed to be included by all holders of shares of Common Stock (other than the Requesting Party), selected pro rata based upon the total ownership of such shares of Common Stock subject to piggyback registration rights of such holders, and (iii) third, and only if all of the shares of Common Stock referenced in clause (ii) have been included, from any other securities eligible for inclusion in such Registration.

4.3 No Effect on Demand Registrations. No Registration of Registrable Securities effected pursuant to a request under this Section 4 shall be deemed to have been effected pursuant to Section 3 hereof or shall relieve the Company of its obligation to effect any Registration upon request under Section 3 hereof.

5. Hold-Back Agreements.

5.1 Restrictions Applicable to Company Registration.

(a) Restrictions Applicable to Holders of Registrable Securities. Each

holder of Registrable Securities, if requested by the Company and, in the case of an Underwritten Offering, the managing underwriters, shall agree not to sell, transfer or otherwise dispose of any Registrable Securities or other equity securities (or any securities convertible, exchangeable or exercisable for such equity securities) of the Company beneficially owned by it (except, in either case, those that are included in a Piggyback Registration) for a specified period of time (the "Holdback Period") in the event that the Company notifies such holder that it desires to file a Registration Statement (the "Company Registration Statement") to register the sale of shares of Common Stock (or any securities convertible, exchangeable or exercisable for such Common Stock) (other than a Registration referred to in clause (i) or (ii) of Section 4.1. The Holdback Period shall commence on the date the Company Registration Statement is declared effective by the SEC and shall terminate 120 days thereafter. A written agreement (the "Lock Up") memorializing each such holder's agreement to the foregoing restrictions shall be executed in a form reasonably satisfactory to the Company and, if applicable, the managing underwriters.

(b) Restrictions Applicable to Officers, Directors and Other Stockholders. As a condition to each holder's delivery of the Lock Up pursuant to Section 5.1., the Company shall use its best efforts to obtain from each of its: (i) officers, (ii) directors and (iii) shareholders beneficially owning at least as many shares of Common Stock as the aggregate number of shares

beneficially owned by the holders of Registrable Securities, a written agreement substantially similar to the Lock Up pursuant to which each such Person shall agree not to sell, transfer or otherwise dispose of any equity securities (or any securities convertible, exchangeable or exercisable for such equity securities) of the Company beneficially owned by it under the same terms as the Lock Up (excluding shares that are included in a Piggyback Registration); provided however, that each of the officers and directors may sell, transfer or dispose of during the Holdback Period the amount of equity securities of the Company that each would be permitted to sell under Rule 144 during a 90 day period commencing on the effective date of the Company Registration Statement.

5.2 Restrictions Applicable to Demand Registration. The following restrictions on the sale, transfer or other disposition of the Company's equity securities (or any securities convertible, exchangeable or exercisable for such equity securities) by the Company, its officers and directors, certain other shareholders and holders of Registrable Securities shall apply in the event of a Demand Registration:

(a) Registration Restrictions Applicable to the Company. The Company, if requested by the holders of a majority of Registrable Securities and, in the case of an Underwritten Offering, the managing underwriters, shall agree not to effect any public sale or distribution of its equity securities (or any securities convertible, exchangeable, or exercisable for such equity securities) (except those that may be included in a Piggyback Registration) or any private offer, sale or distribution of its equity securities (or any securities convertible, exchangeable or exercisable for such equity securities) that may be integrated under the federal securities laws or the regulations thereunder with a Demand Registration, for the Demand Registration Holdback Period in the event of a Demand Registration. The "Demand Registration Holdback Period" shall be defined as the period commencing on the date that the Registration Statement for the Demand Registration is declared effective by the SEC and shall terminate 120 days thereafter. A written agreement memorializing the Company's agreement to the foregoing restrictions shall be executed in a form reasonably satisfactory to the holders of a majority of Registrable Securities and, if applicable, the managing underwriters.

(b) Restrictions Applicable to Officers and Directors. The Company, if requested by the holders of a majority of Registrable Securities and, in the case of an Underwritten Offering, the managing underwriters, shall cause Dr. Leonard Schleifer (so long as he remains the Chief Executive Officer of the Company), and shall use its best efforts to cause each of its other officers and directors, to agree not to sell, transfer or otherwise dispose of any equity securities (or

any securities convertible, exchangeable, or exercisable for such equity securities) of the Company beneficially owned by each such Person (except those that may be included in a Piggyback Registration) during the Demand Registration Holdback Period in the event of a Demand Registration; provided, however, that all such officers and directors in the aggregate may sell, transfer or otherwise dispose of an aggregate of

up to five percent of the total number of shares included in the Demand Registration. A written agreement memorializing each such Person's agreement to the foregoing restrictions shall be executed in a form reasonably satisfactory to the holders of a majority of Registrable Securities and, if applicable, the managing underwriters.

(c) Restrictions Applicable to Other Stockholders. The Company, if requested by the holders of a majority of Registrable Securities and, in the case of an Underwritten Offering, the managing underwriters, shall cause each holder of its privately placed equity securities (or any securities convertible, exchangeable, or exercisable for such equity securities) issued by the Company at any time on or after the date of this Agreement to agree (for the benefit of the holders of Registrable Securities) not to effect any public sale or distribution of any such securities during the Demand Registration Holdback Period in the event of a Demand Registration. In addition, the Company shall use its best efforts to cause each such other shareholder of the Company beneficially owning at least five percent of the Company's then outstanding equity securities (or any securities convertible, exchangeable, or exercisable for such equity securities) to agree not to effect any public sale or distribution of equity securities (or any securities convertible, exchangeable, or exercisable for such equity securities) of the Company during the Demand Registration Holdback Period in the event of a Demand Registration. A written agreement memorializing each such Person's agreement to the foregoing restrictions shall be executed in a form reasonably satisfactory to the holders of a majority of Registrable Securities and, if applicable, the managing underwriters.

(c) Restrictions Applicable to the Holders of Registrable Securities. The holders of the Registrable Securities shall not sell, transfer or otherwise dispose of any equity securities (or any securities convertible, exchangeable or exercisable for such equity securities) of the Company beneficially owned by them during a Demand Registration Holdback Period in the event of any Demand Registration, except for those securities included in the Demand Registration.

6. Registration Procedures. If and whenever the Company is required by the provisions of this Agreement to use its best efforts to effect the registration of any of the Registrable Securities under the Securities Act, the Company shall:

(a) file with the Commission a Registration Statement with respect to such Registrable Securities and use reasonable efforts to cause the Registration Statement to become and remain effective;

(b) prepare and file with the Commission any amendments and supplements to the Registration Statement and the prospectus included in the Registration Statement as may be necessary to comply with the provisions of the Securities Act and keep the Registration Statement effective for a period of not less than one hundred twenty (120) days from the effective date;

(c) furnish to the Purchaser such reasonable numbers of copies of the prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents as the Purchaser may reasonably request in order to facilitate the public sale or other

disposition of the Registrable Securities owned by the Purchaser.

If the Company has delivered preliminary or final prospectuses to the Purchaser and after having done so the prospectus is amended to comply with the requirements of the Securities Act, the Company shall promptly notify the Purchaser and, if requested, the Purchaser shall

immediately cease making offers of Registrable Securities and return all prospectuses to the Company. The Company shall promptly provide the Purchaser with revised prospectuses and, following receipt of the revised prospectuses, the Purchaser shall be free to resume making offers of the Registrable Securities;

(d) use its best efforts to register or qualify the Registrable Securities covered by the Registration Statement under securities or Blue Sky laws of such states as the Purchaser shall reasonably request, and do any and all other acts and things that may be necessary or desirable to enable the Purchaser to consummate the public sale or other disposition in such states of the Registrable Securities owned by the Purchaser; provided, however, that the Company shall not be required in connection with this paragraph (d) to qualify as a foreign corporation or execute a general consent to service of process in any jurisdiction, nor shall it be required to comply with any Blue Sky or other laws, rules or regulations of any jurisdiction for which compliance or other requirements are, in the reasonable judgment of the Company, unduly burdensome or would require any material adjustments in any terms of the offering or in the offering documents; and

(e) In the event of an underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter of such offering. The Purchaser shall also enter into and perform its obligations under such agreement.

(f) Each holder of Registrable Securities agrees by acquisition of such Registrable Securities that, upon receipt of any notice from the Company of the happening of the existence of any fact which results in the Registration Statement, the Prospectus or any documents incorporated therein by reference containing an untrue statement of material fact or omitting to state a material fact required to be stated therein or necessary to make the statements therein not misleading, such holder will forthwith discontinue disposition of Registrable Securities until such holder's receipt of the copies of such supplemented or amended Prospectus as corrects such misstatement or omission, or until it is advised in writing by the Company that the use of the Prospectus may be resumed, and has received copies of any additional or supplemental filings which are incorporated by reference in the Prospectus, and, if so directed by the Company, such holder will deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such holder's possession, of the Prospectus covering such Registrable Securities current at the time of receipt of such notice. In the event the Company shall give any such notice, the time periods during which such Registration Statement shall be maintained effective shall be extended by the number of days during the period from and

including the date of the giving of such notice to and including the date when each seller of Registrable Securities covered by such Registration Statement either receives the copies of the supplemented or amended prospectus that corrects such misstatement or omission or is advised in writing by the Company that the use of the Prospectus may be resumed.

7. Allocation of Expenses. The Company will indemnify and hold the Purchaser harmless for the payment of all Registration Expenses of all registrations under this Agreement, except as set forth in this Agreement. The term Registration Expenses shall mean all expenses incurred by the Company in complying with Section 3 or 4, including, without limitation, all registration and filing fees, exchange listing fees, printing expenses, fee; and disbursements of counsel for the Company and the Purchaser, state Blue Sky fees and expenses (except that: the Purchaser shall not cause or request the filing for Blue Sky approval in any state reasonably refused by the Company), and the expenses of any special audits incident to or required by any such registration, but excluding underwriting discounts and selling commissions.

In connection with each Registration Statement required hereunder, the Company will reimburse the holders of Registrable Securities being registered pursuant to such Registration

Statement for the reasonable fees and disbursements of not more than one counsel chosen by the holders of a majority of such Registrable Securities.

Each seller of Registrable Securities shall pay all discounts, commissions, fees and expenses of the underwriters, selling brokers, dealer managers, and similar industry professionals relating to the distribution of its Registrable Securities.

8. Indemnification. In the event of any registration of any of the Registrable Securities under the Securities Act pursuant to this Agreement, the Company will indemnify and hold harmless the Purchaser, and each of its officers and directors, and each other person, if any, who controls the Purchaser, within the meaning of the Securities Act or the Exchange Act against any losses, claims, damages or liabilities, joint or several, to which the Purchaser or controlling person may become subject under the Securities Act, the Exchange Act, state securities or Blue Sky laws or otherwise, insofar as such losses, claims, damages, or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any Registration Statement under which such Registrable Securities were registered under the Securities Act, any preliminary prospectus or final prospectus contained in the Registration Statement, or any amendment or supplement to such Registration Statement, or arise out of or are based upon the omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading or arise out of or are based upon any violation by the Company of the Securities Act in

connection with such registration; and the Company will reimburse the Purchaser, officer, director, and each such controlling person for any legal or any other expenses reasonably incurred by the Purchaser, officer, director, or controlling person in connection with the investigating or defending of any such loss, claim, damage, liability or action; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any untrue statement or omission made in such Registration Statement, preliminary prospectus or prospectus, or any such amendment or supplement, in reliance upon and in conformity with information furnished to the Company, in writing, by or on behalf of the Purchaser, officer, director, underwriter, or controlling person specifically for use in the preparation thereof.

In the event of any registration of any of the Registrable Securities under the Securities Act pursuant to this Agreement, the Purchaser will indemnify and hold harmless the Company, each of its directors and officers and each underwriter (if any) and each person, if any, who controls the Company or any such underwriter within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages, or liabilities, joint or several, to which the Company, such directors and officers, underwriter or controlling person may become subject under the Securities Act, Exchange Act, state securities or Blue Sky laws or otherwise, insofar as such losses, claims, damages, or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement under which such Registrable Securities were registered under the Securities Act, any preliminary prospectus or final prospectus contained in the Registration Statement, or arise out of or are based upon any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, if the statement or omission was made in reliance upon and in conformity with information furnished in writing to the Company, by or on behalf of the Purchaser, specifically for use in connection with the preparation of such Registration Statement, prospectus, amendment, or supplement; provided, however, that the obligations of the Purchaser hereunder shall be limited to an amount equal to the proceeds of the Registrable Securities sold as contemplated herein; provided, further, that, with respect to any untrue statement or omission or alleged untrue statement or omission made in any preliminary prospectus, the indemnity agreement contained in this Section 8 shall not apply to the extent that any loss, claim, damage or liability results from the fact that a current copy of the

prospectus was not sent or given to the person asserting any such loss, claim, damage, or liability at or prior to the written confirmation of the sale of the Registrable Securities confirmed to such person if it is determined that it was the responsibility of the Company, any of its directors, officers or agents to provide such person with a current copy of the prospectus and such current copy of the prospectus would have cured the defect giving rise to such loss, claim, damage or liability.

Each party entitled to indemnification under this Section 8 (the

"Indemnified Party") shall give notice to the party required to provide indemnification (the "Indemnifying Party") promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, and shall permit the Indemnifying Party to assume the defense of any such claim or any litigation resulting therefrom; provided, that counsel for the Indemnifying Party, who shall conduct the defense of such claim or litigation, shall be approved by the Indemnified Party (whose approval shall not be unreasonably withheld); and, provided, further that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Section 8. The Indemnified Party may participate in such defense at such party's expense provided, however, that the Indemnifying Party shall pay such expense if representation of such Indemnified Party by the counsel retained by the Indemnifying Party would be inappropriate due to actual or potential differing interests between the Indemnified Party and any other party represented by such counsel in such proceeding. No Indemnifying Party, in the defense of any such claim or litigation, shall except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect of such claim or litigation, and no Indemnified Party shall consent to entry of any judgment or settle such claim or litigation without the prior written consent of the Indemnifying Party.

If the indemnification provided for in this Section 8 is held by a court of competent jurisdiction to be unavailable to an Indemnified Party, then each Indemnifying Party, in lieu of indemnifying such Indemnified Party thereunder, hereby agrees to contribute to the amount paid or payable by such Indemnified Party in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party on the one hand and of the Indemnified Party on the other. Notwithstanding the foregoing, the amount the Purchaser shall be obliged to contribute pursuant to this paragraph of Section 8 shall be limited to an amount equal to the public offering sale price of the shares sold by the Purchaser.

9. Information by Holder. The Purchaser shall furnish to the Company such information regarding the Purchaser and the distribution proposed by the Purchaser as the Company may request in writing and as shall be required in connection with any registration, qualification or compliance referred to in Section 3 or 4.

No Person may participate in any Underwritten Registration hereunder unless such Person (a) agrees to sell such Person's securities on the basis provided in any underwriting arrangements approved by the Persons entitled hereunder to approve such arrangements and (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements, and other documents required under the terms of such underwriting arrangements.

10. Rule 144 Requirements. The Company agrees to use reasonable efforts to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144 under the Securities Act;

(b) file with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act; and

(c) furnish to the Purchaser upon request a copy of the most recent annual or quarterly report of the Company, and such other reports and documents of the Company as the Purchaser may reasonably request to avail itself of any similar rule or regulation of the Commission allowing it to sell all or any portion of the Registrable Securities without registration.

11. Standstill Agreement.

11.1 Except as hereinafter set forth in subsection 11.2, the Purchaser agrees, for itself and its Affiliates, whether now or hereafter created or acquired, and any of the Purchaser's pension plans or employee benefit plan programs sponsored by the Purchaser for which the Purchaser controls its investment decisions, that it will not, until the earlier of (x) the termination of the Collaboration Agreement or (y) twenty (20) years from the date of this Agreement, without the prior written consent of the Company;

(i) directly or indirectly acquire or own beneficially and/or of record more than twenty (20%) percent of the Then Outstanding Capital Stock of the Company (as hereinafter defined). For purposes of this Section 11, the Then Outstanding Capital Stock of the Company shall be deemed to be the total number of shares of the Company's issued and outstanding Common Stock and all shares of Common Stock (a) into which any issued and outstanding shares of preferred stock and any other securities exchangeable or convertible into Common Stock are exchangeable or convertible and (b) for which any issued, outstanding, and exercisable options or warrants to acquire Common Stock are then exercisable, as well as all capital stock issued as a result of any stock split, stock dividend, or reclassifications of Common Stock distributable, on a pro rata basis, to all holders of Common Stock or securities convertible into Common Stock;

(ii) directly or indirectly, solicit proxies or consents or become a participant in a solicitation (as such terms are defined in Regulation 14A under the Exchange Act) in opposition to the recommendation of the majority of the Board of Directors of the Company with respect to any matter, or seek to advise or influence any person, with respect to the voting of any securities of the Company or any of its subsidiaries;

(iii) propose or induce any other person to propose, directly or indirectly, (x) any merger or business combination involving the Company or any of its subsidiaries, (y) the purchase or sale of any assets of the Company or any of its subsidiaries or (z) the purchase of any of the voting securities of the Company, by tender offer or otherwise (except pursuant to the exercise of rights, warrants, options, or similar securities distributed by the Company to holders of voting securities generally);

(iv) deposit any voting securities in a voting trust or subject any voting securities to any arrangement or agreement with respect to the voting of voting securities; or

(v) advise, assist, or encourage any other person in connection with any of the foregoing.

11.2 The Purchaser will be relieved of the restrictions set forth in subsection 11.1 of this Agreement only under the following circumstances and for the specific transactions as set forth herein below:

(i) if a third party, not an Affiliate of the Purchaser, directly or indirectly makes a bona fide tender offer or other bona fide offer for more than twenty (20%) percent but not more than fifty (50%) percent of the Company's Then Outstanding Capital Stock, and said third party has, in the reasonable opinion of the Purchaser, the financial resources, ability and intention to carry out such offer, the Purchaser shall not be prohibited from purchasing or conducting a tender offer for an amount of shares equal to the amount of shares sought out be acquired by the third party during the period of its tender offer;

(ii) if a third party, not an Affiliate of the Purchaser, directly or indirectly makes a bona fide tender offer or other bona fide offer for more than fifty (50%) percent of the Company's Then Outstanding Capital Stock and said third party has, in the reasonable opinion of the Purchaser, the financial resources, ability and intention to carry out such offer, the Purchaser shall not be prohibited from purchasing or conducting a tender offer for all or less than all of the Then Outstanding Capital Stock it does not already own during the period of the third party's tender offer; or

(iii) in the event the Company hereafter issues to a third party more than seven (7%) percent of its Then Outstanding Capital Stock pursuant to a negotiated written transaction without requiring such third party to enter into a standstill agreement with provisions substantially as restrictive as those set forth in this Section 11, then Purchaser shall be relieved from its obligations hereunder.

11.3 At the time that the Board of Directors of the Company makes a decision to put the Company up for sale and to entertain bids in connection with such sale, the Company shall promptly notify the Purchaser of such decision and in the event that the Company is entertaining a merger proposal or acquisition proposal which would result in the Company being merged with and into or acquired by another corporation and such negotiations have reached a state of finality that the Company believes a public announcement is warranted, the Company shall forthwith notify the Purchaser of the material terms of such proposed merger or acquisition which have been agreed upon. Purchaser's rights under this subsection shall be limited solely to notification. The Company's obligations under this Section 11 including without limitation this subsection 11.3 shall terminate upon the termination of the Collaboration Agreement.

11.4 The parties hereto acknowledge and agree that the Company would be irreparably damaged in the event that any of the provisions of this Section 11

are not performed in accordance with their specific terms or are otherwise breached and that monetary damages are not an adequate remedy for said breach. It is, accordingly, agreed that the Company shall be entitled to injunctive relief to prevent breaches of this Section 11 by Purchaser and/or its Affiliates, and to specifically enforce this Section 11 and the terms and provisions thereof, in addition to any other remedy to which such aggrieved party may be entitled, at law or in equity. The Company may enter a stop transfer order with respect to the transfer of voting securities except in compliance with the termination of this Agreement.

11.5 The Company shall give Purchaser prompt notice of the receipt by the Company of any Schedule 13-D filing from any person or Group (within the meaning of the Exchange Act) couched in such terms as to put the Company reasonably on notice of the likelihood that such person or Group has acquired or is proposing to acquire any shares of Common Stock which results in, or, if successful, would result in, such person or Group owning or having the right to acquire more than twenty percent (20%) of the Company's Then Outstanding Capital Stock.

11.6 If Purchaser desires at some date to account for its investment in the Company pursuant to the equity method, the Company shall promptly furnish the Purchaser, at Purchaser's sole expense, which estimated expense shall be prepaid by Purchaser if so requested

by the Company, all information that is required by generally accepted accounting principles to enable Purchaser to so account. To the extent reasonably available to the Company and to the extent reasonably requested by Purchaser, the Company shall provide information (and shall cause its employees, independent public accountants, and other representatives to do the same), to the extent reasonably available regarding the Company's to, and otherwise cooperate with, Purchaser so as to enable Purchaser to prepare financial statements in accordance with accounting principles generally accepted in the United States and to comply with its reporting requirements and other disclosure obligations under applicable United States securities laws and regulations (the "Regulations"). Purchaser agrees to hold all such information in at least the same degree of confidence as it would hold similar information regarding its operations and condition, and to disclose it only to the extent required by the Regulations, provided that there shall be no restriction on Purchaser's right to disclose its own financial statements, whether or not reflecting or including such information.

11.7 All purchases of securities of the Company by Purchaser shall be made in compliance with applicable laws and regulations.

11.8 During the term of the Collaboration Agreement, Purchaser agrees, for itself and its Affiliates, whether now or hereafter created or acquired, and any of the Purchaser's pension plans or employee benefit plan programs sponsored by the Purchaser for which the Purchaser controls its investment decisions, that it will not, directly or

indirectly, by action or inaction, use its voting power (by itself or in concert with others) to cause any Key Man of the Company (as that term is used in the Collaboration Agreement) to leave the Company, including, without limitation, voting against the election or reelection of any Key Man to serve as a member of the Board of Directors of the Company.

12. Amendments and Waivers. This Agreement may be amended, modified, supplemented or waived only with the written consent of the parties hereto.

13. Notices. Except as otherwise provided in this Agreement, all notices, requests and other communications to any Person provided for hereunder shall be in writing and shall be given to (a) in the case of the Company, at 777 Old Saw Mill River Road, Tarrytown, New York 10591, attention: President, with a copy to the attention of General Counsel and Corporate Secretary or (b) in the case of the Purchaser, at One Procter & Gamble Plaza, Cincinnati, Ohio 45202, attention: President, with a copy to the attention of General Counsel. Each such notice, request or other communication shall be effective (i) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid or (ii) if given by any other means (including, without limitation, by air courier), when delivered at the address specified above.

14. Successors and Assigns. The provisions of this Agreement, including the rights and obligations hereunder, shall be binding upon, and inure to the benefit of, the respective successors and assigns of the Purchaser (the Transferees) and of the Company, provided that such Transferees shall be an Affiliate of the Purchaser, and such Transferees shall become the Purchaser for the all purposes of this Agreement.

15. Transfer of Certain Rights.

15.1 The rights and obligations of the Purchaser under this Agreement may be transferred by the Purchaser to any Affiliate of the Purchaser. The Company shall be given written

notice by the Purchaser at the time of such transfer stating the name and address of the Transferee and identifying the securities with respect to which such rights are assigned.

15.2 Any Transferee to whom rights are transferred shall, as a condition to such transfer, deliver to the Company a written instrument pursuant to which the Transferee agrees to be bound by the obligations imposed upon the Purchaser hereunder to the same extent as if such Transferee were the Purchaser hereunder.

16. Descriptive Headings. The descriptive headings of the several sections and paragraphs of this Agreement are inserted for reference only and shall not limit or otherwise affect the meaning hereof.

17. Governing Law. THIS AGREEMENT SHALL BE CONSTRUED AND

ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE PARTIES SHALL BE GOVERNED BY, THE LAWS OF THE STATE OF NEW YORK WITHOUT REFERENCE TO THE PRINCIPLES OF CONFLICTS OF LAWS.

18. Counterparts. This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

19. Entire Agreement. This Agreement embodies the entire agreement and understanding between the Company and the Purchaser relating to the subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter.

20. Severability. If any provision of this Agreement, or the application of such provisions to any Person or circumstance, shall be held invalid, the remainder of this Agreement, or the application of such provision to Persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

[Signature Page To Follow]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

REGENERON PHARMACEUTICALS, INC.

By_____

THE PROCTER & GAMBLE COMPANY

By_____

EXHIBIT 10.4

MULTI-PROJECT COLLABORATION AGREEMENT

between

THE PROCTER & GAMBLE COMPANY

and

REGENERON PHARMACEUTICALS, INC.

May 13, 1997

Execution Copy

MULTI-PROJECT COLLABORATION AGREEMENT

MULTI-PROJECT COLLABORATION AGREEMENT

Made as of this 13th day of May, 1997, 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"), 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, 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.

Procter & Gamble and Regeneron share a common vision for further collaboration, and want to pursue additional research, development and marketing of products based on other targets and/or compounds identified by Regeneron.

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.

Procter & Gamble and Regeneron have also entered into a Securities Purchase Agreement, Registration Rights Agreement and Warrant Agreement as of the date first written above as part of this 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. "Allowable Research Expense" means Direct Costs incurred by either Party after June 30, 2002 pursuant to an approved Research Collaboration Plan. Allowable Research Expenses will be recognized in accordance with GAAP.

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. Competing Product shall not include Excluded Technology.

1.8. "Compound" means a chemical entity, which is not Excluded Technology, with research or commercial utility 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, as a direct result from research on a Target during the Research Term; or

(c) was conceived and/or reduced to practice by Procter & Gamble in the Muscle Field prior to or during the Term.

Compound includes Research Compounds, Development Compounds and Marketed Compounds that may be useful in 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 Compound" means a Compound designated by the Operations Committee for further development pursuant to Section 3.3(b).

1.10. "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 2.6, for the research, development or marketing of Compounds. Direct Costs shall not include any mark-up or profit above actual costs.

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

1.12. "Excluded Research Project" means a Regeneron research project that has been excluded from the collaboration of the Parties under this Agreement pursuant to Section 2.10 or Section 3.2(c).

1.13. "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 by Regeneron before or during the Term insofar as such invention, trade secret or other information (i) is part of the subject matter listed in Attachment 1.13, or (ii) directly relates to an Excluded Research Project ("Regeneron Excluded Technology"); or

(b) conceived or reduced to practice by Procter & Gamble or acquired by Procter & Gamble from a Third Party before or during the Term insofar as such invention, trade secret and other information is not Procter & Gamble Technology. Notwithstanding the foregoing, 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.

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

1.15. "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, 1998 and the last Fiscal Year during the Research Term shall end on the anniversary of the Effective Date in the Fiscal Year in which the Research Term expires or is terminated pursuant to Sections 10.1 and 10.2.

1.16. "FTE" or "Full Time Equivalent" means one Effort Year of an employee or class of employees. "Effort Year" means nineteen hundred and fifty (1,950) hours of direct effort expended on approved activities during a Fiscal Year.

1.17. "GAAP" means generally accepted accounting principles.

1.18. "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.

1.19. "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 or with Regeneron pursuant to Section 5.1. "Regeneron Know-how" shall mean the entire right, title and interest in Know-how owned solely or jointly by Regeneron with a Third Party or with Procter & Gamble pursuant to Section 5.1.

1.20. "Lead Compound" means a Research Compound that has been demonstrated to meet Success Criteria, whether or not the Research Compound has been designated a Development Compound pursuant to Section 3.3(b).

1.21. "Major Country" means the **********.

1.22. "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 the Product Plan;

(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 Program 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 2.1 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.

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

1.24. "Muscle Field" means the diagnosis, prevention and/or treatment of 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), as set forth in the Collaboration Agreement between the Parties dated the 11th day of December, 1996.

1.25. "Net Sales" means total gross realization less: (i) discounts, including cash discounts and discounts for special purchases, rebates, retroactive price reductions or allowances granted or incurred from the billed amount, (ii) any sales or value added taxes or any other taxes measured by the amount of sales or gross receipts, and (iii) credits or allowances actually granted upon claims, rejections or returns, including recalls, regardless of the party requesting such. As used herein, total gross realization means the list price for a product containing a Compound multiplied by the volume in units for units sold or otherwise transferred by either Party or an authorized agent of either Party to a customer, but excludes sales or transfers between and among the Parties, the Parties' Affiliates, or an authorized agent or licensee of either Party, unless such sale or other transfer is to a customer.

1.26. "Operations Committee" or "OC" means the committee described in Article II.

1.27. "Opting Out Party" means the Party that Opts Out of those research, development and/or marketing activities with respect to a Compound as specified in Sections 2.10, 3.2(b), 3.2(c), 3.4(b), 3.6, and 10.3(b). "Opts Out" means that the Opting Out Party either decides not to

continue with such activities or does not fund its share of Allowable Research Expenses and/or Allowable Product Expenses with respect to such activities.

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

1.29. "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 or with Regeneron pursuant to Section 5.1. "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 or with Procter & Gamble pursuant to Section 5.1.

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

1.31. "Procter & Gamble Technology" means any invention, Know-how or other information, other than Compounds which have not met Success Criteria, whether tangible or intangible, whether or not patentable, which has actual or potential utility for the identification, research or commercialization of products for the prevention, diagnosis, or treatment of diseases or disorders in humans or animals, and which:

(a) has utility in ***** and which, prior to or during the Research

Term, 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; or

(b) does not have utility in ***** and which, during the Research Term, 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, as a direct result of research on a Target; or

(c) other than (a) and (b), insofar as is necessary for performing research pursuant to a Research Collaboration Plan using a Procter & Gamble Target as defined in 1.44(b) and which, prior to or during the Research Term, 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; or

(d) during the Term, but after the Research Term, is conceived or reduced to practice by Procter & Gamble or licensed by Procter & Gamble from a Third Party with the right to sublicense, 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.

1.32. "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).

1.33. "Program Committee" or "PC" means the committee established pursuant to Section 2.2(b).

1.34. "Regeneron Technology" means any invention, Know-how or other information, whether tangible or intangible, whether or not patentable, 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, 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.

1.35. "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. After June 30, 2002, the Research Collaboration Plan shall also include Allowable Research Expenses.

1.36. "Research Compound" means a Compound that has not yet been designated a Development Compound.

1.37. "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.

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

1.39. "Research Term" means the period of time beginning on the Effective Date and unless terminated earlier pursuant to Section 10.2 or 10.3(b), ending ten (10) years after the Effective Date.

1.40. "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.

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

1.42. "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 Compound.

1.43. "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).

1.44. "Target" means:

(a) any gene, receptor, ligand, or other compound which is Regeneron Technology, which has actual or potential utility for the identification, research or

commercialization of compounds for the prevention, diagnosis, or treatment of diseases or other disorders in humans or animals; or

(b) any gene, receptor, ligand, or other compound which Procter & Gamble designates as subject to research under this Agreement and Regeneron agrees to include in a Research Project pursuant to Section 2.1(c) (a "Procter & Gamble Target").

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

1.46. "Territory" means the entire world, excluding Japan with respect to any Sumitomo Compound and MuSK and Agrin. Japan shall be included in the Territory except for Sumitomo Compounds and MuSK and Agrin. "MuSK" shall mean the materials **********. "Agrin" shall mean the compounds **********.

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

1.48. "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.

1.49. "Validated Target" means a Target which has been shown to meet all of the following criteria approved by the PC:

(a) the Target is *******.

(b) agents, ligands, or intracellular molecules that *******; and

(c) the Target is shown to ******.

Article II - Overview and Management of Collaboration

2.1. 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 in the Muscle Field, in addition to other areas of mutual interest. Accordingly, the Collaboration Agreement dated 11 December 1996 is hereby terminated on the Effective Date and superseded by the terms of this Agreement.

(c) At Procter & Gamble's sole discretion, Procter & Gamble may designate genes, receptors, ligands or compounds owned by Procter & Gamble as a subject of a Research Project. Subject to Regeneron's agreement to include them as a Research Project, such genes, receptors, ligands or compounds will be deemed Procter & Gamble Targets. Gene, receptors, ligands or compounds contributed by Procter & Gamble pursuant to the Collaboration Agreement specified in Section 2.1(b) shall be deemed Procter & Gamble Targets.

(d) Subject to the provisions of a Research Project Plan or Research Collaboration Plan, the primary responsibilities for the activities shall be as follows:

* Regeneron will identify and characterize Targets and Validated Targets. Characterization of Procter & Gamble Targets will be the joint responsibility of the Parties.

* Regeneron will provide Target materials for high throughput screening (HTS) and will develop low throughput assays. The responsibility for such activities for Procter & Gamble Targets will be shared.

* Procter & Gamble will develop HTS and combinatorial libraries and conduct HTS to identify Research Compounds in the collaboration.

* Procter & Gamble will optimize Research Compounds to meet the Success Criteria. Regeneron will characterize and scale-up peptide and protein Research Compounds.

* Regeneron will develop and conduct models and assays necessary to assess Research Compounds against Target success criteria. Procter & Gamble and Regeneron will share responsibility for developing and using models and assays to meet success criteria for Procter & Gamble Targets and Targets in the Muscle Field.

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

2.2. Committee Membership.

(a) OC Membership. The work under this Agreement, as set forth in Section 2.1, 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 2.2(b), 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 2.2(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. The first OC meeting shall occur within Sixty (60) days of the Effective Date.

(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 2.2(a). The initial members of the PC are listed on Attachment 2.2(b). The first PC meeting shall occur within thirty (30) days of the Effective Date.

2.3. 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. 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 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 and PC 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 or PC (as the case may be) promptly following the meeting for review, comment, and adoption.

2.4. Decision-making Criteria. All decisions of the OC and PC 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. 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 1.13, (ii) any Third Party costs in Fiscal Years 1 through 5 which are the responsibility of Procter & Gamble pursuant to Section 3.2 and (iii) decisions made pursuant to Section 4.1 and 5.4. 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.

2.5. Dispute Resolution. Subject to Section 2.4, if a decision cannot be achieved by the PC, 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 Group Vice President - Health Care of Procter & Gamble (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 2.4. 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.

2.6. 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 2.6 shall be, to the extent possible under commercially reasonable terms, jointly owned by the Parties and shall be subject to Articles V and VII.

2.7. 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.

2.8. Non-compete.

(a) During the Research Term, neither Party will , independently of the other, perform research regarding a Target or a Research Compound which is the subject of an approved Research Collaboration Plan.

(b) During the Term, neither Party may directly or indirectly develop 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 Excluded Technology.

2.9. 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 2.9 so long as Procter & Gamble owns less than fifteen percent (15%) of Regeneron's Outstanding Securities (as defined in the Securities Purchase Agreement).

2.10. Vetoed Project. Procter & Gamble shall have the right to veto a proposed Research Project ("Vetoed Project") if in good faith it determines that the Target proposed for the project is a part of an existing Procter & Gamble program as defined by an internal Procter & Gamble research project proposal and an approved annual budget. All of Procter & Gamble's ownership rights pursuant to Section 5.1 to inventions directly related to the Vetoed Project made solely by Regeneron employees shall revert to Regeneron. All of Regeneron's ownership rights pursuant to Section 5.1 to inventions directly related to the Vetoed Project made solely by Procter & Gamble employees shall revert to Procter & Gamble. Regeneron may not pursue the Vetoed Project during Fiscal Years *****. At any time after Fiscal Year ***, Regeneron may elect to pursue the Vetoed Project if, during the twelve (12) months prior to that election, (a)

Regeneron has not Opted Out of research, development or marketing of a Compound and (b) has not required Procter & Gamble to purchase securities pursuant to Section 3.5 of the Securities Purchase Agreement. Upon such election and notice to Procter & Gamble, the Vetoed Project shall be deemed an Excluded Research Project. If Regeneron makes such an election, then Regeneron may not require Procter & Gamble to purchase securities pursuant to Section 3.5 of the Securities Purchase Agreement during the twenty-four (24) months following the election. In addition, if Regeneron Opts Out of the research, development or marketing of a Compound during the twenty-four (24) months following the election, then Regeneron may either (a) terminate work on the Vetoed Project or (b) have the royalties payable by Procter & Gamble under Section 6.1 with respect to such Compound shall be reduced by *****. If Regeneron elects to terminate work on the Vetoed Project, then the Vetoed Project will be deemed to never have been a Vetoed Project and the rights to inventions made solely by Regeneron employees or solely by Procter & Gamble employees directly related to the Vetoed Project shall be jointly owned by Procter & Gamble and Regeneron as set forth in Section 5.1.

Article III - Research and Development

3.1. Research Collaboration Plan. The Parties will agree to a Research Collaboration Plan within sixty (60) days after the Effective Date. The OC is authorized to approve and amend the Research Collaboration Plan. The timing and calculations for the Research Collaboration Plan budget for Fiscal Year 6 and beyond are contained in Attachment 3.1. In Fiscal Years 1 through 5, the

Research Collaboration Plan budget shall include FTE allocations and any Third Party costs.

3.2. Funding of Research Collaboration Plan.

(a) Fiscal Years 1 through 5. During the first five (5) Fiscal Years of the Research Term, Regeneron shall provide the following number of Regeneron research FTEs per Fiscal Year for Regeneron's work pursuant to the Research Collaboration Plan:

Fiscal Year	Regeneron FTEs
1	***
2	***
3 (JAS, OND '99)	***
3 (JFM, AMJ, '00)	***
4	***
5	***

Procter & Gamble may, at its sole discretion, fund an additional ***** Regeneron research FTEs in the last six months of Fiscal Year 3, Fiscal Year 4 and Fiscal Year 5 ("Option Period") at Procter & Gamble's written request . Procter & Gamble will give three (3) months' notice to Regeneron prior to the beginning of such Option Period that it elects to fund such additional ***** Regeneron research FTEs for the entire Option Period. While Procter & Gamble funds the additional ***** FTEs during the Option Period, Regeneron shall also fund and supply ***** additional Regeneron research FTEs for the entire Option Period. These ***** Regeneron research FTEs (*** funded by Procter & Gamble, *** funded by Regeneron) during the Option Period shall initially be devoted to research in the Muscle Field, but may be assigned to other Research Projects as the Parties may mutually agree. Procter & Gamble shall make research payments pursuant to Section 3.2(d). 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.

(b) Fiscal Years 6 through 10. If Procter & Gamble and/or Regeneron do not terminate the Research Term at the end of Fiscal Year 5 pursuant to Section 10.2, the Parties shall equally fund Allowable Research Expenses associated with the Research Collaboration Plan for work done after the fifth (5th) Fiscal Year. Allowable Research Expenses shall include: (i) at least ***** Regeneron research FTEs at the FTE Rate specified in Section 3.2(d) plus the Inflation Payment Adjustment described in Section 3.2(d); (ii) no more than ***** Procter & Gamble FTEs, unless there is a Development Compound in the Muscle Field and in such case, such Procter & Gamble FTE number shall not exceed ****** Procter & Gamble FTEs, at an FTE rate(s) agreed by the OC pursuant to the "FTE cost calculation process" set forth in Attachment 3.1; and (iii) any additional Allowable Research Expenses. At Regeneron's option during Fiscal Years 6 through 10, Regeneron may require Procter & Gamble to purchase Regeneron equity pursuant to

Section 3.5 of the Securities Purchase Agreement. Subject to the Parties' minimum funding commitments pursuant to this Section 3.2(b), either Party may become an Opting Out Party with respect to specific Research Projects.

(c) Regeneron Proposals to Increase Regeneron FTEs in Fiscal Years 6 - 10. Regeneron may propose increases in Regeneron research FTEs ***** Regeneron research FTEs or more above the Regeneron research FTE threshold set forth in Section 3.2(b) to the OC, provided that Regeneron has met and continues to meet its obligations (including without limitation funding obligations pursuant to this Section 3.2) under this Agreement. However, Regeneron may not make such proposals if Regeneron is an

Opting Out Party under Section 3.2(b) or has received additional equity purchases by Procter & Gamble pursuant to Section 3.5 of the Securities Purchase Agreement. Regeneron must make any such proposal at least ***** months prior to the beginning of Fiscal Year 6, or the beginning of any subsequent Fiscal Year. Procter & Gamble shall have ***** days from the time of Regeneron's proposal to the OC to agree to or reject such Regeneron research FTE increases. If Procter & Gamble rejects such increases, the OC shall define one or more Excluded Research Projects involving a research area which has not been the subject of a Research Project Plan in a manner acceptable to both Parties, and of a scope consistent with the increased Regeneron research FTEs proposed by Regeneron. If an Excluded Research Project has been agreed to by the OC, Procter & Gamble will be deemed an Opting Out Party with respect to any compound resulting from that Excluded Research Project. Such compound will be considered a "Compound" for purposes of Sections 5.7 and 6.1.

(d) Regeneron's FTE Rate; Payment. Procter & Gamble's funding will be made pursuant to Attachment 3.2(d)(1). An additional Inflation Payment Adjustment shall be made in Fiscal Years 1 through 10 pursuant to Attachment 3.2(d)(2). 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(d)(3). The Inflation Payment Adjustment shall be calculated by multiplying the number of Regeneron research FTEs per Fiscal Quarter listed in Attachment 3.2(d)(2) 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 1997 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(d)(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 forty-five (45) days 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(d), 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 thirty (30) days after receipt and are subject to Procter & Gamble's audit pursuant to Section 6.5.

3.3. Selection of Development Compounds.

(a) The PC or either Party may propose to the OC that a Research Compound be further developed as a Development Compound, if such Compound has undergone sufficient testing to demonstrate that it has met the Success Criteria established pursuant to a Research Project Plan.

(b) If the OC agrees that the Research Compound meets the Success Criteria, then the Compound shall be designated a Development Compound. Within ***** days after the designation of a Development Compound by the OC, the OC shall approve a Product Plan for such Development Compound. The Product Plan shall include general goals of the Parties relating to the development and marketing of each Development Compound and the timing, nature, and priority of resources to be applied and will detail tasks and goals, personnel allocation, outside services and costs, Success Criteria, Allowable Product Expenses, budgets, and such other matters deemed necessary to implement the Product Plan. The Product Plan will include a spending forecast through the end of clinical trials for the Development Compound and a budget for the next Fiscal Year that will be updated by the OC at least annually on a Fiscal Year basis. Procter & Gamble is responsible for taking the lead in proposing such budget with significant and timely input from Regeneron. 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. Allowable Product Expenses for Development Compounds in the Muscle Field shall be shared equally. Allowable Product Expenses to support an Investigational New Drug application (IND) pursuant to 21 C.F.R. ss.312.1 et seq. for Development Compounds other than those Development Compounds in the Muscle Field in Fiscal Years 1 through 5 shall be paid by Procter & Gamble; all other Allowable Product Expenses for such Development Compounds shall be shared equally. Allowable Product Expenses shall be payable quarterly in arrears, based on justification of Allowable Product Expenses incurred over the quarter. Regeneron and Procter & Gamble shall submit reports to each other within thirty (30) days of the end of each Fiscal Quarter detailing the number of FTEs performing work pursuant to the Product Plan, Third Party costs and other costs incurred in research, development and marketing activities, as well as a detailed description of such work. Each Party shall review and approve the other Party's reports within fifteen (15) days

thereafter, subject to the OC's approval, if necessary. Procter & Gamble will then calculate the amount that shall be paid by either Party to the other Party to equalize funding and so advise Regeneron within seven (7) days. The Party to whom funds are owed will issue an invoice for the corresponding amount, payable within thirty (30) days. Costs incurred and paid pursuant to this Section are subject to audit pursuant to Section 6.5.

(b) After the end of Fiscal Year 5, either Party may become an Opting Out Party with respect to a Research Project, thereby Opting Out with respect to all further development and marketing of all Lead Compounds that result from that Research Project in the Territory. Either Party may, at any time during the Term, become an Opting Out Party with respect to a Development Compound or Marketed Compound, either in total or on a country-by-country basis pursuant to Section 3.6. The Proceeding Party may proceed to research, develop and/or market such Compound at its own expense. However, unless the Parties otherwise agree, a Party may not Opt Out from or otherwise not pay its share of Allowable Research Expenses or Allowable Product Expenses to which such Party has committed in a Research Project Plan or Product Plan. The Opting Out Party shall grant licenses to the Proceeding Party pursuant to Section 5.7. 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 Development Compound or Marketed Compound pursuant to Section 3.4(b), the OC shall use Commercially Reasonable Efforts to determine the disposition of the rights to such Compounds.

3.5. Research, Development and Marketing Communication. In addition to Regeneron's reporting obligations under Section 3.2(d), 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 end of the ***** Fiscal Year, the Parties shall negotiate in good faith an agreement by the end of the ***** Fiscal Year 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 prior to the end of the ***** Fiscal Year the Parties may commence dispute resolution pursuant to Section 2.5 or the Parties may terminate this Agreement pursuant to Section 10.2, elect to continue to perform research, 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.

(a) 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. **********.

(b) If Sumitomo does not license MuSK and Agrin in accordance with the Sumitomo Agreement, Regeneron has the right to attempt to license MuSK and/or Agrin to a Third Party for use, sale, manufacture, distribution, and marketing solely in Japan. Regeneron shall have the right to provide such Third Party, solely for the purpose of obtaining such license and subject to the confidentiality provisions of Article VIII, information about MuSK and Agrin developed after the Effective Date. **********.

Article IV - Marketing of Products

4.1. Marketing and Sales Strategy. ********** in the OC regarding the strategy and tactics of marketing and sale of the Marketed Compounds in accordance with the Product Plan, including without limitation prices of Marketed Compounds, method of sales and distribution, organization and management of sales and marketing, packaging and labeling, appointment of distributors pursuant to Section 4.3 and other terms and conditions for such sales and marketing. Procter & Gamble shall use Commercially Reasonable Efforts in making such decisions. That portion of the Product Plan that does not relate to the sales and marketing strategy (e.g., the annual budget), shall be agreed to by a majority of the OC.

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 fifty percent (50%) of a Marketed Compound's sales and marketing efforts with notice to Procter & Gamble within ***** days 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 Regeneron wants to discontinue or decrease its co-promotion activities, it must give Procter & Gamble ***** months' 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
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5.1. Rights in Technology Developed During 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 under this Agreement shall be owned:

(a) by Procter & Gamble, if such technology is conceived or reduced to practice solely by employees of Procter & Gamble prior to Fiscal Year 6;

(b) jointly, if such technology is conceived and/or reduced to practice either solely by employees of Regeneron or jointly by employees of Procter & Gamble and Regeneron; and

(c) jointly, if such technology is Procter & Gamble Technology conceived and reduced to practice solely by employees of Procter & Gamble during Fiscal Years 6 through 10. 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. Any use of technology owned by a Party under this Section that is conceived solely by employees of the other Party, other than uses which have actual or potential utility for the identification, research or commercialization of products for the prevention, diagnosis, or treatment of diseases or disorders in humans or animals, shall be subject to a reasonable royalty to be negotiated. All use of such technology shall also be subject to Section 2.8.

5.2. License Grants during Research Term.

(a) Procter & Gamble hereby grants Regeneron a Sole License under P&G Patents and Know-how to Procter & Gamble Technology conceived and reduced to practice by employees of Procter & Gamble prior to Fiscal Year 6, or acquired by Procter & Gamble with the right to sublicense prior to or during the Research Term, to make, have made, use, import and offer for sale, and sell Lead Compounds and Procter & Gamble Targets during the Research Term, subject to Section 2.8. The license shall be royalty free for uses which have actual or potential utility for the identification, research or commercialization of products for the prevention, diagnosis, or treatment of diseases or disorders in humans or animals. For all other uses a reasonable royalty will be negotiated.

(b) Regeneron hereby grants Procter & Gamble a Sole License under Regeneron Patents and Regeneron Know-how to make, have made, use, import, and offer for sale and sell Regeneron Technology which is (i) conceived or reduced to practice by Regeneron before the Term or (ii) acquired by Regeneron from a Third Party with the right to sublicense prior to or during the Research Term, subject to

Section 2.8. The license shall be royalty free for uses which have actual or potential utility for the identification, research or commercialization of products for the prevention, diagnosis, or treatment of diseases or disorders in humans or animals. For all other uses a reasonable royalty will be negotiated.

(c) The licenses granted in (a) and (b) above will not be used by either Party independent of this Agreement in research that, will lead to Competing Products. Any dispute under this Section will be resolved by the OC.

(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," wherein the Licensor Party shall not grant any Third Party rights under the Know-how or Patent to the subject matter of the license.

5.3. Rights upon Termination of Research. Except as otherwise directed pursuant to Section 10.2 or Section 10.3, the Parties shall grant the following licenses upon expiration of the Research Term.

(a) Procter & Gamble hereby grants Regeneron a non-exclusive license in the Territory under P&G Patents and Know-how to Procter & Gamble Technology conceived or reduced to practice by employees of Procter & Gamble prior to Fiscal Year 6, or acquired by Procter & Gamble with the right to sublicense prior to or during the Term to make, have made, use, import and offer for sale, and sell Lead Compounds and Procter & Gamble Targets.

(b) Regeneron hereby grants Procter & Gamble a non-exclusive license in the Territory under Regeneron Patents and Regeneron Know-how to make,

have made, use, import, and offer for sale and sell Regeneron Technology which is (i) conceived or reduced to practice by Regeneron before the Term or (ii) acquired by Regeneron from a Third Party with the right to sublicense prior to or during the Term.

(c) Licenses under this Section are royalty free except as follows:

(i) royalties will be paid pursuant to Section 6.1 for the marketing of any Lead Compounds that are not Development Compounds or Marketed Compounds; and

(ii) a reasonable royalty to be negotiated in good faith will be paid for all uses other than the identification, research or commercialization of products for the prevention, diagnosis, or treatment of diseases or disorders in humans or animals reasonable royalty to be negotiated for all other uses.

(d)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. Rights on Termination if Milestones are Met. In the event a Party terminates the Agreement pursuant to Section 10.2, and if ***** Research Compounds have been determined by Procter & Gamble or the OC to meet their Success Criteria pursuant to a Research Project Plan by the end of Fiscal Year 5, then:

(a) if Procter & Gamble is the terminating party, then Procter & Gamble shall grant Regeneron an exclusive, royalty-free license in the Territory under P&G Patents and P&G 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 P&G Patents and P&G Know-how to make, have made, use, import, offer for sale, and sell other Procter & Gamble Technology; or

(b) if Regeneron is the terminating party, then Regeneron shall grant Procter & Gamble an exclusive, royalty-free license in the Territory under Regeneron Patents and Regeneron 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 Regeneron Patents and Regeneron Know-how to make, have made, use, import, offer for sale, and sell other Regeneron Technology.

5.5. Rights in Technology upon Termination Pursuant to Section 10.3(b).

In the event that Procter & Gamble terminates the Agreement pursuant to Section 10.3(b) then the Parties shall grant the following licenses:

(a) If *** Research Compounds have been determined by Procter & Gamble or the OC to have met their Success Criteria pursuant to a Research Project

Plan at the time of termination, then Procter & Gamble shall grant Regeneron an exclusive, royalty-free license in the Territory under P&G Patents and P&G 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 P&G Patents and P&G Know-how to make, have made, use, import, offer for sale, and sell other Procter & Gamble Technology; or

(b) If Procter & Gamble or the OC have not determined that *** Compounds have met their Success Criteria pursuant to a Research Project Plan at the time of termination, then (i) Procter & Gamble shall grant Regeneron a non-exclusive, royalty free license in the Territory under &G Patents and Know-how to Lead Compounds and

Procter & Gamble Targets conceived and reduced to practice by Procter & Gamble, or acquired by Procter & Gamble from a Third Party with the right to sublicense, during the Term to make, have made, use, import and offer for sale, and sell Lead Compounds and Procter & Gamble Targets; and (ii) Regeneron shall grant Procter & Gamble a non-exclusive license, royalty-free in the Territory under Regeneron Patents and Regeneron Know-how to make, have made, use, import, and offer for sale and sell Regeneron Technology which is conceived and reduced to practice by Regeneron, or acquired by Regeneron from a Third Party with the right to sublicense during the Term.

5.6. Rights in Compounds under Research, Development and Marketing. Subject to Section 3.8, 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 Compound during the Term with respect to Compounds that are the subject of joint research, development or marketing by the Parties under this Agreement or a J-V Agreement. The Parties shall grant licenses under Patents or Know-how to each other, or to any jointly owned entity as may be established by the Parties pursuant to a J-V Agreement, as may be necessary to facilitate research, development and/or marketing of such Compounds in the Territory.

5.7. Grant of License by Opting Out Party. In the event a Party becomes an Opting Out Party with respect to a 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, with the right to sublicense, to make, have made, use, import and sell such 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 the royalty 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.

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
Prior to the *****	up to ****%
Upon or after designation as *** but prior to the *****	***%
Upon or after the ***** but prior to the **********	***%
Upon or after the**********	***%

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 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, ********** to account for indirect overhead) 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 Compound in any country, and a license must be obtained from a Third Party to manufacture and/or market such 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:

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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 Section 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 Section 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 1.31. Regeneron will promptly disclose to Procter & Gamble all Regeneron Technology described in Section 1.34 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") 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, and thereby become the Responsible Party for that Patent 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.

7.5. Infringement. Procter & Gamble and Regeneron shall promptly notify the other in writing of any infringement of a Patent within the Patent Rights 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 within the Patent Rights 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. 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. 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 2.6, 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. The "Confidential Disclosure Agreement" dated February 25, 1997 and the Collaboration Agreement dated December 11, 1996 between Regeneron Pharmaceuticals, Inc. and Procter & Gamble have separately been rendered void and all Information to be kept confidential under such agreements as of the Effective Date will be subject to the terms of Section 8.1 as if disclosed under this Agreement.

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 such Party has filed a patent application adequately describing and claiming any technology embodied in such disclosure 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.

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. Regeneron warrants that Attachments

1.13 and 9.1(b) are complete lists of Excluded Technology and Third Party Agreements relating to Excluded Technology, respectively, existing as of the Effective Date.

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 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. Within three (3) days of the date first written above, the Parties shall file the appropriate documents with the U.S. Federal Trade Commission and the U.S. Department of Justice pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and including such Act's enabling regulations (collectively "HSR"). This Agreement shall become effective upon such date that the applicable HSR waiting period has expired or is otherwise terminated ("Effective Date").

(b) Term. Unless terminated earlier by mutual agreement or by either Party pursuant to Sections 10.2 or 10.3 , 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 (unless such compound is the subject of a separate

agreement); or (iii) the end of the Royalty Term. Rights in technology shall be as set forth in Section 5.3.

10.2. Termination. Either Party may terminate the Research Term, and may terminate the Agreement, provided there are no remaining royalty obligations, at the end of Fiscal Year 5. Such termination may be made following notice to the other Party delivered prior to the end of Fiscal Year 4. Rights in technology shall be as set forth in Section 5.3. However, if *** Research Compounds have been determined by Procter & Gamble or the OC to meet their Success Criteria pursuant to a Research Project Plan by the end of Fiscal Year 5, then the terminating Party shall be granted rights pursuant to Section 5.4, and any license that had been granted to the terminating Party pursuant to Sections 5.6 or 5.7 shall be terminated.

10.3. Default.

(a) General Default. Failure by either Party (the "Defaulting Party") to comply with any of the material obligations contained in this Agreement, the Securities Purchase Agreement, 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 5.7.

(b) Special Default. Regeneron shall promptly notify Procter & Gamble if any of its Key Executives leaves, or makes a decision to leave the employment of Regeneron prior to the beginning of Fiscal Year 5. The "Regeneron Key Executives" are listed in Attachment 10.3(b). Procter & Gamble may, after the end of a ***** waiting period following such notification, provide Regeneron with notice of termination, with the termination to be effective ***** after such notice of termination of the Agreement. Rights in technology shall be as set forth in 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 ***** days after its next regularly scheduled board meeting, but in no event longer than ***** 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 ***** days 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 Purchase Agreement, Warrant Agreement 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 **** day period and the Parties shall then follow the procedures set forth in this Section 10.6.

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 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.

(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 ***** 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
One Procter & Gamble Plaza
Cincinnati, Ohio 45202

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 2.5 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 5.3, 5.4, 5.5 and 8.1 shall survive the termination of this Agreement for 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 IX, 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: _____
G. Gilbert Cloyd
Vice President - Pharmaceuticals

Regeneron Pharmaceuticals, Inc.

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

Attachment 1.13(a)Regeneron Excluded Technology

BDNF, NT-3, AXOKINE, CNTF, small molecule agonists or antagonists of neurotrophic factors as defined in the Field in the Glaxo/Regeneron collaboration, small molecule agonsits and antagonists of cytokines and growth factors as defined in the Field in the Pharmacopeia/Regeneron collaboration agreement, and protein-based cytokine agonists and antagonist of the compounds in the definition of the Field in the Pharmacopeia/Regeneron collaboration.

Attachment 2.2(a)

Initial Members of the Operating Committee

From Regeneron:
- --------------

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

From Procter & Gamble:
- ---------------------

Gordon Hassing, Ph.D.
Vice President

Attachment 2.2(b)

Initial Members of the Program Committee

From Regeneron:
- ---------------

George Yancopoulos, Ph.D.

From Procter & Gamble:
- ----------------------

Nancy K. Eddy, Ph.D.

Attachment 3.1

Timing and Calculation of Research and/or Product Plan Budgets

Budget Process

1) Budget Preparation

- *****
- *****
- *****
- *****
- *****

2) Budget Preparation and Approval Cycle Timing

- *****
- *****
- *****
- *****

3) Budget Monitoring

- *****
- *****
- *****
- *****

Budget Cost Development

1) Internal Costs

- o *****
- o *****

Attachment 3.1 ("continued")

*****

2) Third Party costs

- o *****

Attachment 3.2(d)(1)

Research Payments to Regeneron

Fiscal Quarter	Total Payments(1) ($000)
AMJ 1997	***
JAS 1997	***
OND 1997	***
JFM 1998	***
AMJ 1998	***
JAS 1998	***
OND 1998	***
JFM 1999	***
AMJ 1999	***
JAS 1999	***
OND 1999	***
JFM 2000	***
AMJ 2000	***
JAS 2000	***
OND 2000	***
JFM 2001	***
AMJ 2001	***
JAS 2001	***
OND 2001	***
JFM 2002	***
AMJ 2002	***

- ------------------
(1) Excludes Inflation Adjustment Payments and any Allowable Research Expenses.
* If Procter and Gamble chooses to fund an additional *** Regeneron FTEs during the Option Period pursuant to Section 3.2(a), this amount shall be increases ***** per quarter.

Attachment 3.2(d)(2)

Inflation Payment Adjustment

Fiscal Quarter	Regeneron FTEs(2)
JAS 1998	***
OND 1998	***
JFM 1999	***
AMJ 1999	***
JAS 1999	***
OND 1999	***
JFM 2000	***
AMJ 2000	***
JAS 2000	***
OND 2000	***
JFM 2001	***
AMJ 2001	***
JAS 2001	***
OND 2001	***
JFM 2001	***
AMJ 2002	***
JAS 2002 to the end of the Research Term	As agreed per the Research Collaboration Plan, but no less than ***

Example:
- --------

June 1997 US CPI Value 157.0
June 1998 US CPI Value 161.6
June 1999 US CPI Value 166.1

FY 1998/99 Inflation Factor = (161.6 - 157.0) / 157.0 = 2.9%
FY 1999/00 Inflation Factor = (166.1 - 157.0) / 157.0 = 5.8%

Quarterly Inflation Payment Adjustment = (*****) x #FTEs x % change

Therefore:
- ----------

OND 1998 Inflation Payment Adjustment = ******
OND 1999 Inflation Payment Adjustment = ******

- -------------------
* This amount shall bew increased by *****, if Procter & Gamble chooses to fund the ***** additional Regeneron FTEs pursuant to Section 3.2(a).

Attachment 3.2(d)(3)

Expenses Included in the Regeneron Research FTE Rate

- Payroll expense, including salaries, bonuses, commission, employee benefits and employee-paid payroll taxes
- Employee training and education
- Administrative support
- *****
- *****
- *****
- *****
- *****
- *****
- *****
- *****
- *****

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			
Example 1	***%	***	***%	***%	***	***%
Example 2	***%	***	***%	***%	***	***%
Example 3	***%	***	***%	***%	***	***%

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.

Attachment 10.3(b)

Regeneron Key Executives

*****

Attachment 10.7(a)

Example of License Fee Operation

	Scenario	License Fee Operation
1.	Party A is Opting Out Party with respect to all Compounds in all countries. Subsequently, Party A becomes Acquired Company; Party B elects Option.	No License Fee; Party B continues to pay royalties for Royalty Term pursuant to Section 6.1
2.	Party A is Opting Out Party with respect to *** of a total of *** in all countries. Subsequently, Party A becomes Acquired Company; Party B elects Option while ***** is a Research Compound and ***** is in Phase II studies.	No License Fee on the ***** of which Party A Opted Out; Party B continues to pay royalties on ***** for the Royalty Term pursuant to Section 6.1. For *****, the investment bankers shall prepare a Fair Market Value of such Compounds and subtract out the net present value of the Running Royalty for ***** and ***** from ***** of the Fair Market Value to calculate the Valuation. Party B shall have the obligation to pay the Running Royalty on *****.

3.	Party A has not Opted Out with respect to any of the ***** in research, development and commercialization. *****.	For all Compounds, the investment bankers shall prepare a Fair Market Value of such Compounds in the Territory and subtract out the net present value of the Running Royalty for ***** and ***** from ***** of the Fair Market Value to calculate the Valuation. Party B shall have the obligation to pay the Running Royalty on *****.

Exhibit 11

REGENERON PHARMACEUTICALS, INC.
STATEMENT OF COMPUTATION OF NET LOSS PER SHARE

	Three months ended June 30,		Six months ended June 30,	
	1997	1996	1997	1996
Primary:				
Net loss	($4,269,667)	($7,624,633)	($10,198,516)	($15,392,131)
Per share data				
Weighted average number of Class A and Common shares outstanding during the period	27,192,724	24,585,518	26,495,847	23,296,691
Net loss per share	($0.16)	($0.31)	($0.38)	($0.66)
Fully diluted:				
Net loss	($4,269,667)	($7,624,633)	($10,198,516)	($15,392,131)
Per share data				
Weighted average number of Class A and Common shares outstanding during the period	27,192,724	24,585,518	26,495,847	23,296,691
Shares issuable upon exercise of options and warrants	2,539,942	3,607,408	2,360,094	3,336,165
Shares assumed to be repurchased under the treasury stock method	(1,454,176)	(1,776,186)	(1,272,702)	(1,507,453)
	28,278,490	26,416,740	27,583,239	25,125,403
Net loss per share	($0.15)	($0.29)	($0.37)	($0.61)

5

6-MOS
DEC-31-1997
JAN-01-1997
JUN-30-1997
51,445,161
78,054,738
5,984,638
0
0
394,763
55,543,850
21,570,286
169,953,873
10,848,064
0
0
0
4,280
139,944,101
169,953,873
0
12,829,897
0
0
22,623,372
0
405,051
(10,198,526)
0
(10,198,526)
0
0
0
(10,198,526)
(0.38)
(0.37)