







Cond. Payoff	Cond. NPV	Prob.	NPV
\$10.00			
\$12.00	\$16.00	70%	\$6.20
\$9.00			
\$12.00	\$15.00	70%	\$8.50
\$4.40			
\$6.00	\$10.40	70%	\$9.28

Clinical Testing	Manufacturing	Conditional Payoff	Manufacturing Investment	Subtotal	Approval Probability	Unconditional Payoff	Testing Investment	License Fee	Total
Self	Self	\$22.00	(\$8.00)	\$16.00	70%	\$11.20	(\$5.00)	\$0.00	\$6.20
Self	License	\$13.00	\$0.00	\$13.00	70%	\$9.10	(\$5.00)	\$0.00	\$4.10
Sub-contract	Self	\$21.00	(\$8.00)	\$15.00	70%	\$10.50	(\$2.00)	\$0.00	\$8.50
Sub-contract	License	\$13.00	\$0.00	\$13.00	70%	\$9.10	(\$2.00)	\$0.00	\$7.10
License	License	\$10.40	\$0.00	\$10.40	70%	\$7.28	\$0.00	\$2.00	\$9.28