

EXHIBIT 5
Net Income from IPR&D Asset Under New Rule

Company P1 acquires IPR&D from Company S1. Assumed discount rate is 14%

	Incremental Income from IPR&D	Less IPR&D Amortization Expense	IPR&D Contribution to Net Income
Annualized, 2007–2011	\$ 58,257	\$ 40,000	\$ 18,257
Total	\$291,284	\$200,000	\$ 91,284
IPR&D Value	\$200,000		

Company P2 acquires IPR&D from Company S2. Assumed discount rate is 28%

	Incremental Income from IPR&D	Less IPR&D Amortization Expense	IPR&D Contribution to Net Income
Annualized, 2007–2011	\$ 78,989	\$ 40,000	\$ 38,989
Total	\$394,944	\$200,000	\$194,944
IPR&D Value	\$200,000		

Note: Figures in thousands