UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 8-K

Current Report Pursuant
to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event Reported): **March 3, 2014**

THERAVANCE, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**000-30319**	**94-3265960**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

901 Gateway Boulevard
South San Francisco, California 94080
(650) 808-6000
(Addresses, including zip code, and telephone numbers, including area code, of principal executive offices)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

On March 3, 2014, Theravance, Inc., a Delaware corporation (the "Company"), entered into a Master Agreement (the "Master Agreement") with Glaxo Group Limited, a private company limited by shares registered under the laws of England and Wales ("GSK"), and Theravance Biopharma, Inc., a Cayman Islands exempted company and currently a wholly-owned subsidiary of the Company ("Theravance Biopharma"). In connection with the Master Agreement, the Company also entered into agreements amending (i) the Collaboration Agreement between the Company and GSK dated as of November 14, 2002, as amended (the "Collaboration Agreement") and the Strategic Alliance Agreement between the Company and GSK dated as of March 30, 2004, as amended (the "Strategic Alliance Agreement"). The agreements amending the Collaboration Agreement and Strategic Alliance Agreement are collectively referred to herein as the "Amendments." The Master Agreement and Amendments were entered into in connection with the Company's previously announced plans to separate its businesses into two independent, publicly traded companies via a dividend of Theravance Biopharma shares to the Company's stockholders (the "Spin-Off"). Following the Spin-Off, the Company will continue to manage the late-stage respiratory programs partnered with GSK and Theravance Biopharma will be a separate biopharmaceutical company focusing on the discovery, development and commercialization of small molecule medicines in areas of significant unmet need.

The Master Agreement is effective immediately, but will terminate if the Spin-Off is not effected by June 30, 2014. Prior to entering into the Master Agreement, GSK reviewed the then current versions of the Separation and Distribution Agreement, Transition Services Agreement, Employee Matters Agreement and Tax Matters Agreement, each between the Company and Theravance Biopharma for the purposes of effecting the Spin-Off (collectively referred to herein as the "Spin-Off Documents") and the current versions of Theravance Biopharma's proposed Amended and Restated Memorandum and Articles of Association and Rights Agreement. The Company and Theravance Biopharma have agreed that, prior to the Spin-Off, without GSK's written consent, they will not make any changes to these documents that would, individually or in the aggregate, reasonably be expected to adversely affect GSK in

any material respect. Other than with respect to Theravance Biopharma's Amended and Restated Memorandum and Articles of Association and Rights Agreement, the agreement not to change the foregoing documents in a manner materially adverse to GSK will also apply after the Spin-Off. GSK has also reviewed the current version of the Theravance Respiratory Company Limited Liability Company Agreement ("TRC LLC Agreement"). Prior to the Spin-Off, the Company plans to assign to Theravance Respiratory Company, LLC ("TRC") the Strategic Alliance Agreement and all of the Company's rights and obligations under the Collaboration Agreement other than with respect to RELVAR® ELLIPTA®/BREO® ELLIPTA®, ANORO™ ELLIPTA™ and vilanterol monotherapy. Following the Spin-Off, the Company or one of its affiliates will be the manager of TRC and TRC will be jointly owned by the Company and Theravance Biopharma. The Company and Theravance Biopharma have agreed — before and after the Spin-Off — not to make any changes to the TRC LLC Agreement without the consent of GSK, which consent is not to be unreasonably withheld, conditioned or delayed, provided that GSK may withhold, condition or delay such consent in its sole discretion with respect to any changes to certain sections of the TRC LLC Agreement or the governance structure of TRC or the confidentiality restrictions, consent rights and transfer restrictions in the TRC LLC Agreement.

Subject to the effectiveness of the agreements described in preceding and following paragraphs (other than Theravance Biopharma's Rights Agreement), changes to such agreements being made in compliance with the preceding paragraph, and the completion of the Spin-Off on or before June 30, 2014, GSK has consented to the assignments by Theravance to TRC of the Strategic Alliance Agreement and portions of the Collaboration Agreement other than with respect to RELVAR® ELLIPTA®/BREO® ELLIPTA®, ANORO™ ELLIPTA™ and vilanterol monotherapy, the contribution by the Company of limited liability company units in TRC to Theravance Biopharma, and the pro rata dividend of Theravance Biopharma ordinary shares to the Company's stockholders in the Spin-Off.

Also on March 3, 2014, Theravance Biopharma and GSK entered into (i) a governance agreement that, among other things, provides GSK with certain rights to purchase shares of Theravance Biopharma and exempts GSK from triggering Theravance Biopharma's Rights Agreement until December 31, 2017, (ii) a registration rights agreement that gives GSK and its permitted assigns certain registration rights with respect to Theravance Biopharma's ordinary shares held by them and (iii) an extension agreement that extends to Theravance Biopharma certain restrictive covenants similar to those applicable to the Company under the Collaboration Agreement and Strategic Alliance Agreement. The Company will not be a party to these agreements between Theravance Biopharma and GSK, but the effectiveness of these agreements is a condition to GSK's consent to the Spin-Off.

The Master Agreement also includes GSK's agreement that (i) after the Spin-Off of Theravance Biopharma, provided such Spin-Off occurs on or prior to June 30, 2014 and in compliance with the Master Agreement, the Company may grant certain pre-agreed covenants in connection with monetization of its interests in RELVAR®/BREO®, ANORO™ and vilanterol monotherapy and portions of its interests in TRC, and (ii) it will not unreasonably withhold its consent to the Company's requests to grant other covenants, provided, among other conditions, that in each case, the covenants are not granted in favor of a pharmaceutical or biotechnology company with a product either being developed or commercialized for the treatment of respiratory disease.

The Master Agreement also provides for restrictions that apply after the Spin-Off to employees of the Company providing interim consulting services to Theravance Biopharma and employees of Theravance Biopharma providing interim consulting services to the Company or TRC. In addition, in the Master Agreement, the Company and Theravance Biopharma agree that the Company's current Chief Executive Officer may act as the Chief Executive Officer of both the Company and Theravance Biopharma for a period not to exceed nine months following the Spin-Off.

The Amendments provide that GSK's diligent efforts obligations regarding commercialization matters under both the Collaboration Agreement and Strategic Alliance Agreement will change upon regulatory approval in either the U.S. or the European Union of UMEC/VI/FF or a MABA in combination with fluticasone furoate. Upon such regulatory approval, GSK's diligent efforts obligations as to commercialization matters under the Collaboration Agreement and Strategic Alliance Agreement will have the objective of focusing on the best interests of patients and maximizing the net value of the overall portfolio of products under the Collaboration Agreement and Strategic Alliance Agreement. In addition, these Amendments modify certain terms of the Collaboration Agreement and Strategic Alliance Agreement involving the commercialization interactions between the companies for approved products.

Item 8.01. Other Events.

On March 3, 2014, Theravance issued a press release announcing updated timing for the completion of the planned Spin-Off and the entry into the Master Agreement and the Amendments. A copy of Theravance's press release is attached hereto as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits*.

Exhibit Number	Description
99.1	Press Release dated March 3, 2014

SIGNATURE

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

THERAVANCE, INC.

Date: March 3, 2014

By: /s/ Michael W. Aguiar
Michael W. Aguiar
Chief Financial Officer

EXHIBIT INDEX

Exhibit	Description
Exhibit 99.1	Press Release dated March 3, 2014

Theravance Announces Update to Planned Separation of Late-Stage Partnered Respiratory Assets from Biopharmaceutical Operations

Separation Expected to be Completed in Second Quarter 2014

SOUTH SAN FRANCISCO, CA—(Marketwired — March 3, 2014)—Theravance, Inc. (NASDAQ: THRX) announced today that its plan to separate its businesses into two independent, publicly traded companies is now expected to be completed during the second quarter 2014. This decision was reached following a review of the expected timelines for completion of third party activities. The company had previously communicated that the separation would occur in early 2014.

"We are excited about our plans to complete the separation of Theravance to create two independent, publicly traded companies with differing business objectives and opportunities," said Rick E Winningham, Chief Executive Officer. "We continue to believe this separation will provide investors with the opportunity to unlock potential value from two different sets of assets, better align employee incentives and provide the opportunity for significant capital returns. Additionally, I am pleased that we recently entered into a series of agreements with GSK clarifying how the companies will operate following the separation and with the goal of bringing a portfolio of new respiratory products for the treatment of COPD and asthma to patients suffering from these debilitating diseases."

In conjunction with the separation, Theravance, Theravance Biopharma, Inc., and Glaxo Group Limited (GSK) have entered into a series of agreements clarifying how the companies will effect the spin-off and operate following the spin-off. In addition, the allocation ratio of potential future royalties in the LLC described below for sales of UMEC/VI/FF, MABA, MABA/ICS was adjusted to 15% for Theravance, Inc. and 85% for Theravance Biopharma from 2%/98% to better align the economic opportunity for Theravance, Inc., which retains overall responsibility for the GSK relationship and programs. These agreements include a three party Master Agreement, an amendment to the 2002 Collaboration Agreement between Theravance and GSK, an amendment to the 2004 Strategic Alliance between Theravance and GSK, and governance, registration rights and extension agreements between GSK and Theravance Biopharma. The Master Agreement is currently effective, but will terminate if the spin-off is not effected by June 30, 2014, and the other agreements will become effective upon the spin-off, provided that the spin-off is effected on or before June 30, 2014 in accordance with the agreements. These agreements do not change the economics or royalty rates for the Collaboration Agreement or the Strategic Alliance Agreement.

Theravance, Inc. Profile (following the separation)

Theravance, Inc. will directly or indirectly hold and continue to manage the rights to the respiratory product revenues from GSK. Theravance, Inc. will directly hold and continue to manage RELVAR®/BREO® ELLIPTA® (fluticasone furoate/vilanterol: FF/VI), ANORO™ ELLIPTA™ (umeclidinium/vilanterol: UMEC/VI), and VI monotherapy. All three of these programs are partnered with GSK. All other programs currently partnered with GSK, including the bifunctional muscarinic antagonist-beta$_2$ agonist (MABA), MABA combined with an inhaled corticosteroid (MABA/ICS), and umeclidinium/vilanterol/fluticasone

furoate (UMEC/VI/FF) will be held and managed by a limited liability company subsidiary of Theravance, Inc., referred to as the "LLC" in this press release, but 85% of the LLC's economic interests in those programs will accrue to Theravance Biopharma and 15% will accrue to Theravance, Inc. Theravance, Inc. will have staffing to support its scientific and commercial obligations under the GSK agreements and be structured with the goal of generating significant returns to stockholders. The milestone payments due to GSK upon regulatory approval and launch of RELVAR®/BREO® ELLIPTA® and ANORO™ ELLIPTA™ and Theravance's outstanding convertible notes will remain as obligations of Theravance, Inc. Theravance, Inc. is also anticipated to retain Theravance's net operating loss carryforwards.

Theravance Biopharma Profile

Theravance Biopharma will leverage the multivalent drug discovery platform and small-molecule product candidate pipeline currently focused on respiratory, central nervous system/pain, gastrointestinal disorders and infectious diseases. Theravance Biopharma will receive 85% of the LLC's economic interest in the MABA, MABA/ICS and UMEC/VI/FF drug programs, each of which is partnered with GSK. The key product and product candidates in Theravance Biopharma's portfolio will include VIBATIV® (telavancin), a bactericidal, once-daily, injectable lipoglycopeptide antibiotic developed by Theravance for the treatment of Gram-positive infections, TD-4208, an investigational muscarinic antagonist administered once-a-day as a nebulized aqueous solution in patients with moderate to severe chronic obstructive pulmonary disease (COPD), TD-1211, an investigational, once-daily, orally-administered, peripherally-selective, multivalent inhibitor of the mu opioid receptor designed with a goal of alleviating gastrointestinal side effects of opioid therapy without affecting analgesia, and TD-9855, an investigational norepinephrine and serotonin reuptake inhibitor for the treatment of central nervous system conditions such as chronic pain, including fibromyalgia.

We currently plan to capitalize Theravance Biopharma with approximately $300 million at separation, which is expected to fund operations through significant potential corporate milestones over the following two to three years. Theravance Biopharma may operate under a new name to be determined.

About Theravance

Theravance is a biopharmaceutical company with a pipeline of internally discovered product candidates and strategic collaborations with pharmaceutical companies. Theravance is focused on the discovery, development and commercialization of small-molecule medicines across a number of therapeutic areas including respiratory disease, bacterial infections, and central nervous system (CNS)/pain. Theravance's key programs include: RELVAR®/BREO® ELLIPTA® (FF/VI), ANORO™ ELLIPTA™ (UMEC/VI) and MABA (Bifunctional Muscarinic Antagonist-Beta$_2$ Agonist), each

partnered with Glaxo Group Limited (GSK), and its Long-Acting Muscarinic Antagonist program. By leveraging its proprietary insight of multivalency to drug discovery, Theravance is pursuing a best-in-class strategy designed to discover superior medicines in areas of significant unmet medical need.

This press release contains certain “forward-looking” statements as that term is defined in the Private Securities Litigation Reform Act of 1995 regarding, among other things, statements relating to goals, plans, objectives and future events. Theravance intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. Examples of such statements include statements relating to: plans for executing the separation of Theravance into two independent companies, the expected timing of the separation, expectations for the amount and estimated duration of the funding of Theravance Biopharma at the time of the separation, the strategies, plans and objectives of the two companies following the separation, expectations related to the staffing of the two companies, the timing, manner and amount of anticipated potential capital returns to stockholders if the separation is consummated, the possible tax effects of the separation, the status and timing of clinical studies, data analysis and communication of results, the potential benefits and mechanisms of action of product candidates, the enabling capabilities of Theravance’s approach to drug discovery and its proprietary insights, expectations for product candidates through development and commercialization, and the timing of seeking regulatory approval of product candidates. These statements are based on the current estimates and assumptions of the management of Theravance as of the date of this press release and are subject to risks, uncertainties, changes in circumstances, assumptions and other factors that may cause the actual results of Theravance to be materially different from those reflected in the forward-looking statements. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include, among others, risks related to: delays in preparing audited financial statements for Theravance Biopharma, difficulties in effecting the registration of Theravance Biopharma as a public company, failure to obtain necessary consents from third parties, changes in the development or operations of Theravance prior to the separation that could affect the plans for the separation or the cash available for the initial funding of the independent companies, delays encountered in obtaining, or the failure to obtain, the receipt of a private letter ruling from the Internal Revenue Service (should Theravance seek to effect the separation on a tax-free basis), the anticipated separation of Theravance into two independent companies or the intended provision of capital returns to stockholders, the potential that results from clinical or non-clinical studies indicate product candidates are unsafe or ineffective, Theravance’s dependence on third parties to conduct Theravance’s clinical studies, delays or failure to achieve regulatory approvals for product candidates, risks of collaborating with third parties to discover, develop and commercialize products and risks associated with establishing distribution capabilities for telavancin with appropriate technical expertise and supporting infrastructure. Other risks affecting Theravance are described under the heading “Risk Factors” contained in Theravance’s Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC) on March 3, 2014 and the risks discussed in Theravance’s other periodic filings with the SEC. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Theravance assumes no obligation to update its forward-looking statements.

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