

2007—a banner year for biotech

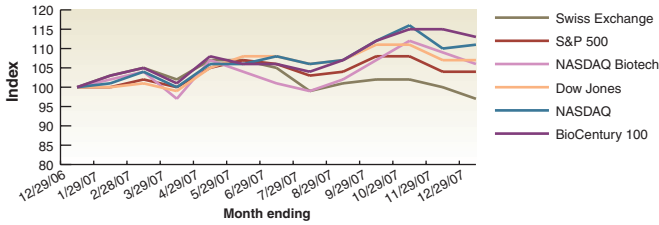
Stacy Lawrence

For the second year in a row, biotech financing reached new heights. At \$53 billion, fundraising grew by 13%, mostly as a result of partnership deals, which expanded by almost one-third to >\$22 billion. Venture capital also jumped to \$7 billion, with more firms receiving

initial public offering funds also rose >50% to \$3 billion, mostly during the first half of last year. In contrast, follow-ons declined substantially by 22%, and were particularly hard hit after June. Public markets look grim for the coming months.

Stock market performance

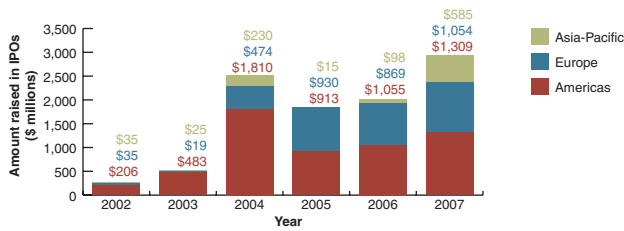
The BioCentury 100 index, which is price-weighted, gained 13%, whereas the small cap-oriented NASDAQ Biotech gained only 6%.



Source: Multex, BioCentury

Global biotech initial public offerings

Companies raised almost \$3 billion in IPOs last year, with a notable contribution from Asia-Pacific floatations.



Ten years of IPOs: 1998–2007

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Americas	14	14	71	9	5	8	34	18	24	23
Europe	11	8	29	5	3	1	12	24	21	21
Asia-Pacific	1	0	0	1	2	4	6	3	3	7

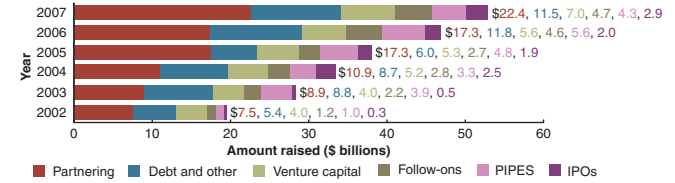
Source: BCIQ: BioCentury Online Intelligence

Notable 2007 biotech deals

IPOs	Company (lead underwriters)	Amount raised (\$ millions)	Percent change in stock price since offer	Date launched
	WuXi (Credit Suisse, JP Morgan)	168	109%	8/8/07
	Ablynx (JP Morgan, KBC)	124	0%	11/6/07
	3SBio (UBS)	115	-7%	2/7/07
	Nanosphere (Credit Suisse)	112	0%	11/1/07
	Addex (Lehman)	112	-46%	5/21/07
	Pronova (Carnegie, UBS)	106	-4%	10/11/07
	Orexigen (Merrill Lynch, JP Morgan)	97	19%	4/26/07
	Biodel (Morgan Stanley)	86	55%	5/10/07
Venture capital	Company (lead investors)	Amount raised (\$ millions)	Round number	Date closed
	Zosano Pharma (New Enterprise Associates)	90	2	11/15/07
	Ception Therapeutics (Essex Woodlands Health Ventures)	77	3	5/31/07
	Portola Pharma (N/A)	70	3	5/7/07
	Targanta Therapeutics (Brookside Capital, Skyline Ventures, Radius and OrbiMed Advisors)	70	3	2/9/07
	Novexel (Edmond de Rothschild Investment Partners)	66	2	1/8/07
	Movetis (Sofinova Partners and Life Science Partners)	64	1	1/7/07
	Omeros (ARCH Venture Partners, Aravis Ventures and Novartis Venture Partners)	63	5	2/12/07

Global biotech industry financing

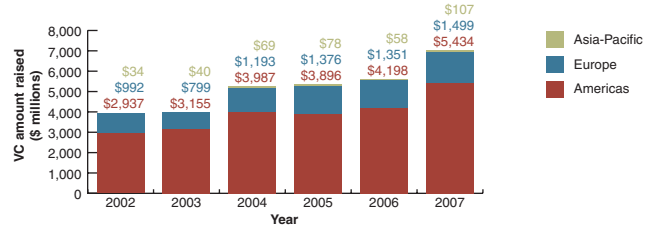
Including unprecedented partnership promises, biotech financing topped \$50 billion for the first time last year.



PIPES, private investment in public equities. IPO, initial public offering. Source: BCIQ: BioCentury Online Intelligence, Burrill & Company

Global biotech venture capital investment

Venture capital funding jumped by more than one-quarter in 2007, with more companies in the Americas and Europe receiving investment.



Number of VC investments: 2002–2007

	2002	2003	2004	2005	2006	2007
Americas	200	184	186	180	189	218
Europe	91	77	79	92	83	103
Asia-Pacific	5	5	6	9	8	9

Source: BCIQ: BioCentury Online Intelligence

Mergers & acquisitions	Target/Acquirer	Value (\$ millions)	Date announced	
	MedImmune/AstraZeneca	15,600	4/23/07	
	Cytc/Hologic	6,200	5/20/07	
	MGI Pharma/Eisai	3,900	12/10/07	
	Ventana Medical Systems/Roche	3,000	6/25/07	
	Pharmion/Celgene	2,900	11/18/07	
	Digene/Qiagen	1,600	6/3/07	
Licensing/collaboration	Researcher	Investor	Value (\$ millions)	Deal description
	Ablynx	Boehringer	1,805	Nanobody discovery platform for up to ten products
	Targacept	GlaxoSmithKline	1,535	Discover small molecules that target nicotinic acetylcholine receptors
	OncoMed	GlaxoSmithKline	1,400	Identify and develop mAbs against cancer stem cells
	Regeneron	Sanofi-Aventis	1,122	Discover and develop human mAbs
	MacroGenics	Eli Lilly	1,104	Develop teplizumab, a humanized monoclonal antibody in phase 3 to treat type 1 diabetes
	Morphosys	Novartis	1,000	Discover and develop antibodies against Novartis targets
	Synta	GlaxoSmithKline	963	Develop small molecule STA-4783, in phase 2 to treat metastatic melanoma
	Antisoma	Novartis	890	Worldwide rights to small molecule AS1404, in phase 2 to treat non-small cell lung cancer

Source: BCIQ: BioCentury Online Intelligence, Recombinant Capital

Stacy Lawrence is a Senior Writer at BioCentury.