

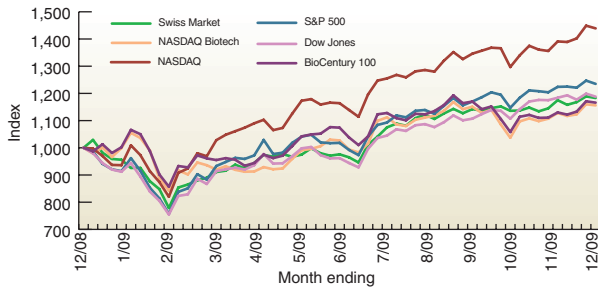
# 2009: Turning the corner

Walter Yang

Despite the shaky start to 2009, the biotech sector regained its financial footing. Biotech indices were up, as were offerings and partnership monies. Excluding collaborations, the sector raised a total of \$24.3 billion.

## Stock market performance

Although biotech indices were up ~16% last year, they underperformed other major indices.



## Global biotech venture capital (VC) investment

Venture money fell slightly last year, as private companies raised \$5.1 billion versus \$5.3 billion in 2008.

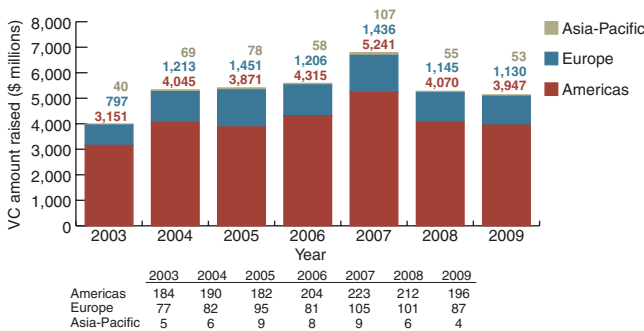


Table indicates number of VC investments and includes rounds where the amount raised was not disclosed. Source: BCIQ: BioCentury Online Intelligence

## Notable 2009 deals

### IPOs

Company (lead underwriters)	Amount raised (\$ millions)	Percent change in stock price since offer	Date completed
Talecris (Morgan Stanley, Goldman Sachs, Citigroup, JPMorgan)	\$550.0	17%	30-Sep
Movetis (Credit Suisse, KBC)	\$146.0	3%	3-Dec
Cumberland (UBS, Jefferies, Wells Fargo)	\$85.0	-5%	10-Aug
Omeros (Deutsche Bank)	\$68.2	-30%	7-Oct
China Nuokang (Jefferies)	\$40.7	-13%	9-Dec

### Venture capital

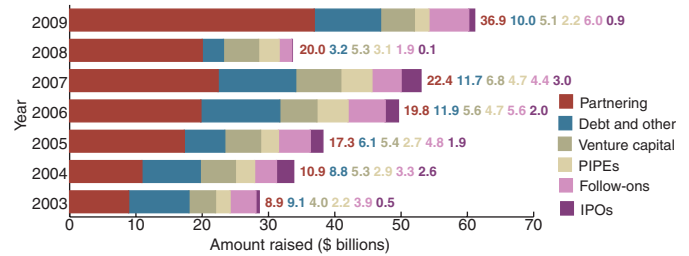
Company (lead investors)	Amount raised (\$ millions)	Round number	Date closed
Clovis Oncology <sup>a</sup> (Domain, New Enterprise Associates, Versant, Aberdare, Abingworth, Frazier, ProQuest, company management)	\$145.0	NA	21-May
Zogenix (Clarus, Domain)	\$71.0	2	07-Dec
BioVex (Forbion, Morningside, Ventech, MVM)	\$70.0	6	10-Nov
Pacific Biosciences <sup>b</sup> (Deerfield, Intel)	\$68.0	5	12-Aug
Hyperion (Bay City Capital, Panorama Capital)	\$60.0	3	30-Jun
NovImmune (BZ Bank)	\$56.4	NA	12-May
Sopherion (Zoticon Bioventures)	\$55.0	3	18-Feb

<sup>a</sup>Lead investor not available. <sup>b</sup>Series E extension.

Although initial public offerings showed signs of resuscitation (at least 13 more companies are now in the queue), follow-on financings came in above \$6 billion—the second-best year over the past decade.

## Global biotech industry financing

The boost in partnership promises to US biotechs and follow-on financings pushed industry funding to \$61.3 billion, up 82% from 2008.



Partnership figures are for deals involving a US company. Source: BCIQ: BioCentury Online Intelligence, Burrill & Co.

PIPEs, private investments in public equity; IPOs, initial public offerings

## Global biotech initial public offerings (IPOs)

The North American IPO market showed signs of life, with four companies raising \$705 million versus only one raising \$6 million in 2008.

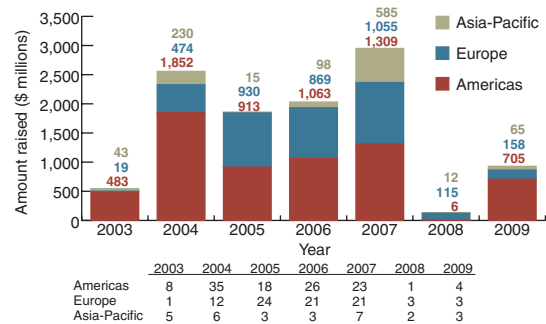


Table indicates number of IPOs. Source: BCIQ: BioCentury Online Intelligence

### Mergers and acquisitions

Target	Acquirer	Value (\$ millions)	Date announced
Genentech	Roche	\$46,800	12-Mar
Sepracor	Dainippon Sumitomo	\$2,600	3-Sep
Medarex	Bristol-Myers Squibb	\$2,400	22-Jul
CV Therapeutics	Gilead Sciences	\$1,400	12-Mar
Cougar Biotechnology	Johnson & Johnson	\$1,000	21-May
Ovation Pharmaceuticals	H. Lundbeck	\$900	09-Feb
Proteolix	Onyx Pharmaceuticals	\$851	12-Oct

### Licensing /collaboration

Researcher	Investor	Value (\$ millions)	Deal description
PTC Therapeutics	Roche	\$1,924	Develop small molecules against four central nervous system disease targets
Nektar	AstraZeneca	\$1,505	Worldwide rights to NKTR-118 for opioid-induced constipation and NKTR-119 for pain without constipation
Incyte	Novartis	\$1,310	Ex-US rights to INCB18424; in phase 3 for myelofibrosis; worldwide rights to preclinical INCB28060
Targacept	AstraZeneca	\$1,240	Worldwide rights to develop and commercialize major depressive disorder compound TC-5214
Exelixis	Sanofi-aventis	>\$1,161	Exclusive, worldwide rights to XL147 and XL765 in phase 1b/2 to treat cancer
ZymoGenetics	Bristol-Myers Squibb	\$1,105	Codevelop and commercialize ZymoGenetics' phase 1 hepatitis C virus compound PEG-interferon lambda
Amylin	Takeda	>\$1,075	Codevelop and commercialize therapeutics for obesity and related indications
Alder	Bristol-Myers Squibb	\$1,069	Worldwide rights to ALD518 for all indications, except cancer