

N.V. went public with a 2.5 million share, \$57.5 million offering. The stock opened at \$23 a share on March 23 and declined somewhat thereafter, an indication that investors remain cautious about biotech stocks, even those issued by well-known companies.

Molecular Genetics expanded its second public offering from 1.0 to almost 1.3 million shares, and raised \$19.7 million, increasing its outstanding shares to almost 6.2 million. Robert D. Auritt, Molecular Genetics' executive vice president for finance, says that the biotechnology market is now in a "leader emergence phase." Institutional investors showed more interest than in their first offering last June; its latest stock issue was divided almost equally between institutions and retail buyers. Auritt says this is because institutions currently have cash to invest and "perceive Molecular Genetics as a leader."

In other offerings, Summa Medical, Cambridge BioScience Corp., Genetic Systems Corp., and New Brunswick Scientific all recently completed successful new issues. Genex is planning a two million share offering, Collaborative Research has filed for a 1.25 million share offering, and Gamma Biologicals plans an 800,000 share offering. In an effort to raise about \$75 million, Novo Industri A/S of Denmark is planning to offer about 1.5 million shares in the U.S.

"Any competent chief executive officer in a biotechnology company should be considering the public equity market as a potential source of capital," says M. Kathy Behrens, a biotechnology research analyst at the investment banking firm of Robertson, Colman & Stephens. "However, that does not mean that all of these companies should come public." She notes that the market was in a similar position 20 months ago, and she predicts that it should remain strong for at least the next month. Biotech companies making public offerings run the spectrum from venture companies with nothing more than scientists and ideas, Behrens says, to those she thinks are among the most advanced genetic engineering companies today.

Steven J. Zimmer, a senior research analyst for Eberstadt Asset Management, perceives more of a trend. "A lot of single-focus companies are going public," he claims. Some of these companies truly need immediate working capital, while others are just taking advantage of the opportunity the current warmer offerings market presents. Separating the companies whose research legitimately calls for new capital from those that are simply exploiting the strong market may be the key to biotech investment success.—Arthur Klausner

#### INTERNATIONAL NEWS

## FRENCH BIOTECHNOLOGY IN THE NEW REGIME

PARIS, France—France has a new Minister of Research and Industry and a new, belt-tightening economic policy; these developments may signal changes in the government's support for R&D in biotechnology. The French government's Biotechnology Mobilization Program was a cornerstone of ousted Minister of Industry and Research Jean Pierre Chevenement's plan to make French science and technology preeminent. But Chevenement has left the cabinet and French President Francois Mitterand has instituted a new program of economic "rigor" designed to reduce France's enormous budget and trade deficits.

"Insofar as the Biotechnology Mobilization Program (is concerned) nothing has changed," states Pierre Douzou, vice president of the program, which he noted "was conceived in the absence of state control and rigidity."

However, it is not yet clear whether the new Minister for Industry and Research, Laurent Fabius, shares his predecessor's zeal for developing French science and technology. At present he has only committed himself to "seeing that the Law of Orientation and Programmation for Research is fully applied." This "programme law", which was passed last year, provides a five year budget and orientation plan for the Ministry of Research. Fabius is regarded as a moderate and pragmatic administrator who is somewhat wary of government investment in industry.

Apart from the political shake-ups and rhetoric, France has made some tangible commitments to private as well as public investment in biotech-

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REASONS

Laurent Fabius

nology. For example, in February it enacted a law specifically designed to encourage venture capital investment. "Until recently, venture capital was virtually nonexistent in France," said Jim Newton of Alan Patricof Associates, a New York venture capital firm. "The new law establishes a legal structure for raising and investing venture capital." Encouraged by passage of the new law, Patricof Associates has established a Paris branch.

Neither the Mobilization Program nor the attempts to attract new capital will be successful unless Mitterand's Socialist government can shore up France's ailing economy and stabilize the volatile franc. Will the latest round of economic rigor convince investors that France is the place for their money? That question remains unanswered and clouds French biotechnology's future.

—Anne Zotov and Tazewell Wilson

#### CORPORATE DEVELOPMENT

## FMC, CENTOCOR TO BEGIN JOINT IMMUNORESEARCH

MALVERN, PA—Immunorex, the FMC Corp.-Centocor joint venture formed to produce pharmaceuticals using human monoclonal antibodies, is also planning to do immunoregulation research leading to the development of *in vitro* diagnostics. Although Immunorex is yet to market a product, FMC has agreed to invest an additional \$7.5 million for work done at the laboratories attached to Centocor's facilities here. FMC, a Chicago-based corporation involved in chemi-

cals and machinery, originally put \$5.2 million into Immunorex under an agreement to share equally any future profits. Centocor provides most of the research staff.

This is not a new direction for Immunorex, but simply an additional one, stresses Estee Pickens, marketing manager for biotechnology ventures at FMC. The original research has yielded potential products, she says, and "we felt it would be in the best interest of the technology, as well as