

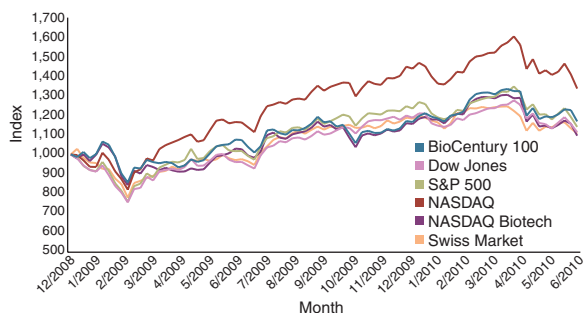
2Q10—spreading the wealth

Walter Yang

Although biotech stocks, along with the general markets, performed poorly last quarter, more companies were able to access capital, more than in each of the previous four quarters. Excluding US partnership monies, 219 companies pulled in \$8.1 billion (compared with 157 firms raising \$5.3

Stock market performance

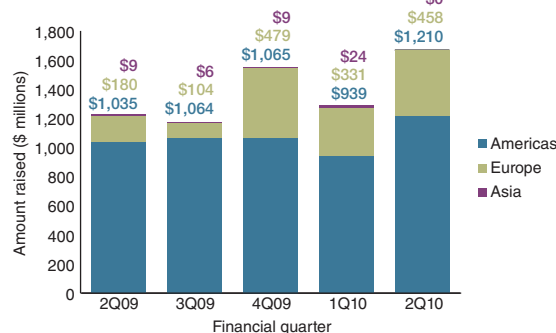
The BioCentury 100 and the NASDAQ Biotechnology were down 11% and 15%, respectively, similar to other major indices.



billion in 2Q09), 39% of which originated from debt deals by Genzyme (Cambridge, MA) and Teva Pharmaceuticals (Petah Tikva, Israel). Venture funding was up 36% from 2Q09; ten companies launched initial public offerings (IPOs), raising \$342.9 million.

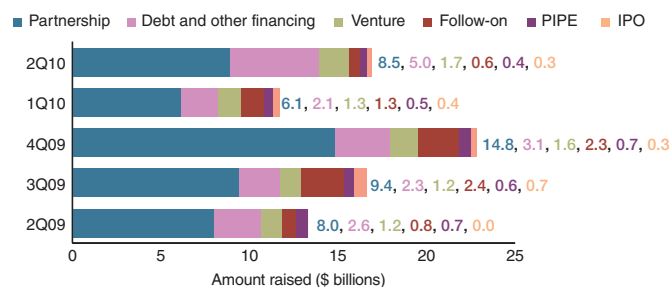
Global biotech venture capital investment

Venture money raised was up 36% to \$1.7 billion from \$1.2 billion in 2Q09.



Global biotech industry financing

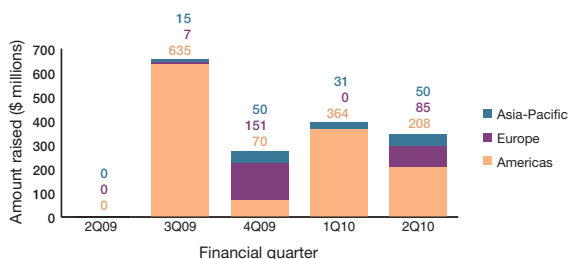
Excluding partnership monies, 2Q10 funding was up \$8.1 billion, 53% on 2Q09, largely through debt deals, which shot up 97%.



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

Global biotech initial public offerings

Ten companies raised \$342.9 million through IPOs last quarter versus none in 2Q09.



	2Q09	3Q09	4Q09	1Q10	2Q10
Americas	0	2	2	4	4
Europe	0	1	2	0	5
Asia-Pacific	0	1	2	2	1

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

	2Q09	3Q09	4Q09	1Q10	2Q10
Americas	43	49	60	60	76
Europe	14	14	32	30	28
Asia-Pacific	1	1	1	1	1

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

Notable Q2 deals

Venture capital	Amount raised (\$ millions)	Round number	Date closed
Company (lead investors)			
AiCuris (Santo Holding)	74.9	2	14-Apr
Achaogen (Frazier Healthcare)	56.0	3	7-Apr
Pacific Biosciences (Gen-Probe)	50.0	6	17-Jun
OptiNose (Avista Capital)	48.5	NA	8-Jun
Agile Therapeutics (Investor Growth Capital, Care Capital)	45.0	2	14-Jun
Tetraphase (Excel Venture)	45.0	3	1-Jun
Anaphore ³ (5AM Ventures, Versant, Apposite Capital)	38.0	1	14-May

Mergers and acquisitions

Target	Acquirer	Value (\$ million)	Date announced
OSI Pharma	Astellas	4,000	17-May
Valeant	Biovail	3,200	21-Jun
Abraxis	Celgene	2,900	30-Jun
Wuxi PharmTech	Charles River	1,500	26-Apr

IPOs

Company (lead underwriters)	Amount raised (\$ millions)	Change in stock price since offer	Date completed
Codexis	78.0	-33%	22-Apr
Alimera	72.1	-32%	22-Apr
Lansen Pharma	50.2	3%	30-Apr
Tengion	30.0	-26%	9-Apr
GenMark	27.6	-26%	28-May
Aposense	24.8	-11%	7-Jun

Licensing/collaboration

Researcher	Investor	Value (\$ millions)	Deal description
TransTech	Forest	\$1,100	Exclusive, worldwide rights, excluding the Middle East and North Africa, to develop and commercialize small-molecule glucokinase activators
Regulus	Sanofi-aventis	>\$750	Discover, develop and commercialize microRNA therapeutics for up to four targets
Diamyd	Johnson & Johnson	\$625	Exclusive rights to Diamyd diabetes vaccine outside Nordic countries
Neurocrine	Abbott	\$595	Exclusive, worldwide rights to develop and commercialize endometriosis compound elagolix
OncoMed	Bayer	>\$500	Discover and develop antibodies, proteins and small molecules targeting the Wnt signaling pathway to treat cancer

Source: BCIQ: BioCentury Online Intelligence

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