

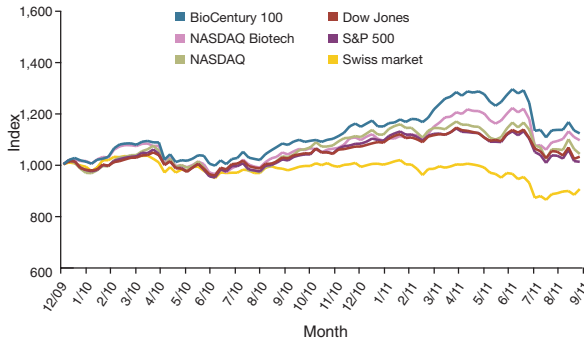
Biotech plummets in 3Q11

Walter Yang

The US debt downgrade and Dendreon's lower than anticipated sales of Provenge (sipuleucel-T) conspired to torpedo the biotech markets. Funding also declined, with \$4.1 billion excluding partnership monies, the lowest since 4Q08. Despite the poor quarter, biotechs

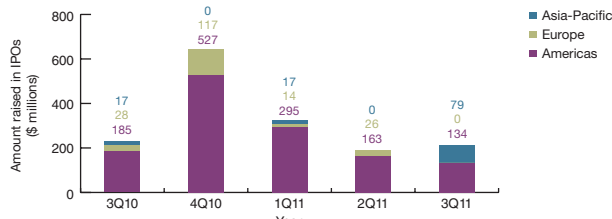
Stock market performance

The BioCentury 100 fell 17% in 3Q11, more than the 12% and 14% declines in the Dow and S&P 500, respectively.



Global biotech initial public offerings

Three biotechs raised \$213.6 million through IPOs in 3Q11, bringing this year's total to 15 companies that have raised \$727.7 million.



	3Q10	4Q10	1Q11	2Q11	3Q11
Americas	3	7	5	2	2
Europe	1	3	1	2	0
Asia-Pacific	1	0	1	0	1

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

Notable 3Q11 deals

Mergers and acquisitions

Target	Acquirer	Value (\$ millions)	Date announced
Caliper Life Sciences	PerkinElmer	600	8-Sep
Azur Pharma	Jazz	525	19-Sep
Amira Pharmaceuticals ¹	Bristol-Myers Squibb	475	21-Jul
Axis-Shield	Alere	365	6-Oct
Vicept Therapeutics ¹	Allergan	275	19-Jul
mtm laboratories ¹	Roche	267	19-Jul

Licensing /collaboration

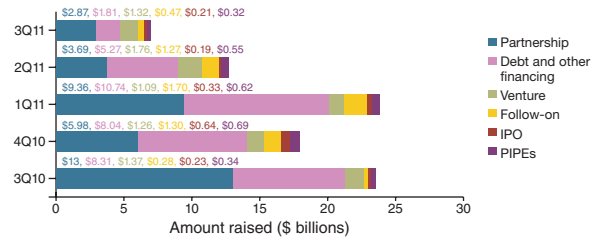
Researcher	Investor	Value (\$ millions)	Deal description
Micromet	Amgen	983	Develop bispecific T-cell engager (BITE) antibodies against three undisclosed solid tumor targets
Evotec	Roche	830	Exclusive, worldwide rights to develop and commercialize Alzheimer's disease candidate EVT 302
Rib-X	Sanofi	>772	Develop antibiotic candidates against a 20 angstrom unit of the ribosomal 50S subunit to treat drug-resistant Gram-positive and Gram-negative pathogens
Array BioPharma	Roche	713	Develop two oral checkpoint kinase 1 (Chk1) inhibitors for cancer
f-star Biotechnologische	Merck KGaA	696	Develop antibody-derived therapeutics against inflammatory diseases using f-star's Modular Antibody technology
Innate Pharma	Bristol-Myers Squibb	465	Exclusive, worldwide rights to cancer candidate IPH 2102 and related compound IPH 2101

¹Value includes milestones

have raised \$27.6 billion so far this year, more than in 7 of the past 10 years. Public offerings were up 18% from a year ago but down 50% from 2Q11; debt and other funding deals were down from 3Q10, as were private biotech financings.

Global biotech industry financing

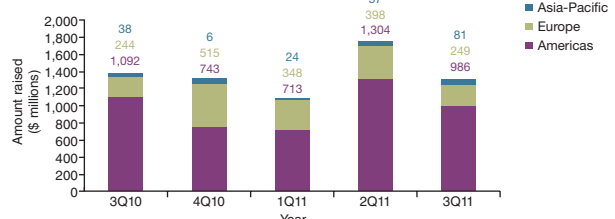
Excluding partnerships, biotechs raised \$4.1 billion in 3Q11, bringing the total raised to \$27.6 billion this year.



Source: BCIQ: BioCentury Online Intelligence, Burrill & Co. Partnership figures are for deals involving a US company. PIPEs, private investment in public equity; IPO, initial public offering.

Global biotech venture capital investment

Private biotechs raised \$1.3 billion in 3Q11, bringing the total to \$4.2 billion this year.



	3Q10	4Q10	1Q11	2Q11	3Q11
Americas	49	47	46	61	61
Europe	19	27	31	29	24
Asia-Pacific	4	1	1	4	4

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

IPOs

Company (lead underwriters)	Amount raised (\$ millions)	Change in stock price since offer	Date completed
GI Dynamics	85	-27%	6-Sep
RaQualia Pharma (Daiwa Securities)	79	-66%	8-Jul
Horizon Pharma (Stifel Nicolaus Weisel; Cowen; JMP)	50	-22%	28-Jul

Venture capital

Company (lead investors)	Amount raised (\$ millions)	Round number	Date closed
Valeritas (Welsh, Carson, Anderson & Stowe)	150	3	12-Sep
Hua Medicine (Arch; Fidelity; Venrock; Sino-Alliance; WuXi PharmaTech)	50	NA	20-Sep
Verinata Health (Mohr Davidow; Sutter Hill Ventures; Alloy Ventures)	49	3	9-Aug
SARcode Bioscience (Sofinnova)	44	2	18-Jul
AM-Pharma (Ysios Capital; Kurma Life Science Partners)	41	4	13-Sep
Enobia Pharma	40	NA	8-Aug

Source: BCIQ: BioCentury Online Intelligence.

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