

A banner biotech year in 2004

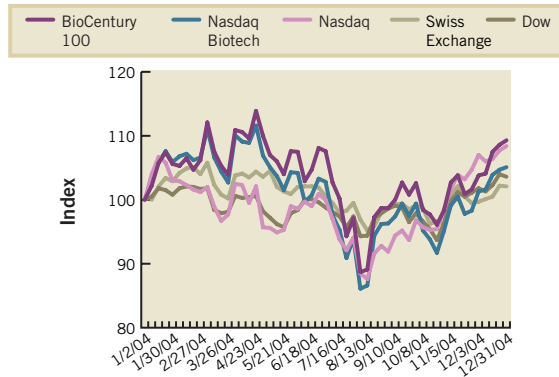
Stacy Lawrence

Last year's big surprise was that venture capital investment in biotech was greater than in 2000, up to \$5.3 billion. Initial public offerings (IPOs) didn't fair nearly so well, but still provided the second largest amount (~\$2.5 billion) raised for biotech in more than a decade. Overall, biotech financing

continued to improve in 2004 from 2002's lows. Every means of obtaining funding, from private investments in public equities (PIPEs) and other types of debt to partnerships, increased significantly over this period. And after losses in the second half of the year, the biotech indices rebounded.

Stock market performance

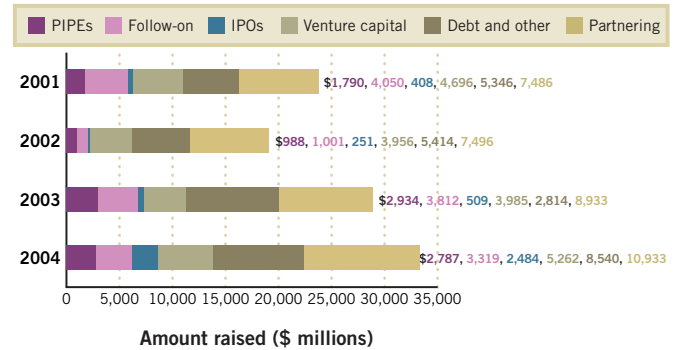
The BioCentury 100, Nasdaq and Nasdaq Biotech all finished up between 5% and 10% for the year, outperforming the more mainstream exchanges.



Source: Muxtex, BioCentury

Global biotech industry financing

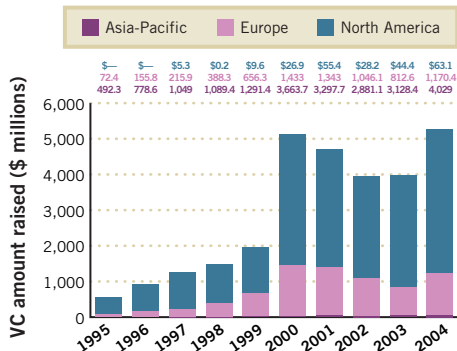
Funding from public offerings, venture capital and partnerships were all way up in 2004. Follow-on financings and PIPEs declined for the year.



Source: BioCentury, Burrill & Company

Global biotech venture capital investment

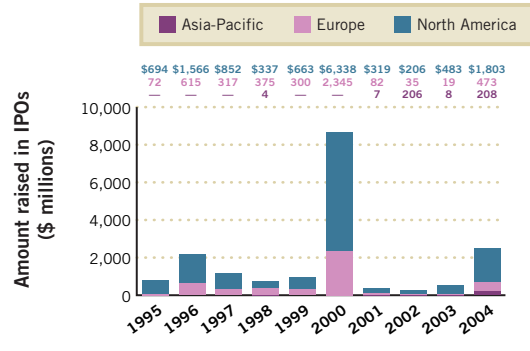
Biotech VC funding in 2004 grew by about one-third over the previous year, slightly outstripping even the go-go year in 2000.



Source: BioCentury

Global biotech initial public offerings

Last year was the biggest biotech IPO year, with the exception of 2000, in more than a decade.



Source: BioCentury

Notable 2004 biotech deals

	Target	Acquirer	Deal value (\$ millions)	Date announced
Mergers & acquisitions	King Pharmaceuticals	Mylan Laboratories	\$4,000	7/04
	Apogent Technologies	Fisher Scientific	\$3,700	3/04
	Warner Chilcott	Warren Acquisition	\$2,900	10/04
	Celltech	UCB	\$2,710	5/04
	ALARIS Medical	Cardinal Health	\$2,000	5/04
	Inversek	Charles River Laboratories	\$1,500	7/04
	Tularik	Amgen	\$1,300	3/04
	Company (lead investor)	Amount raised (\$ millions)	Number of round	Date closed
Venture capital	Jazz Pharmaceuticals (Kohlberg Kravis Roberts)	250	2	3/24/04
	Synta Pharmaceuticals (AIG)	80	4	11/22/04
	Metabolex (Alta Partners)	75	2	11/30/04
	Arpida (Swissfirst)	67	3	10/15/04
	AlgoRx Pharmaceuticals (Advent Venture Partners)	65	3	2/24/04
	Corus Pharma (Bear Stearns)	65	3	4/12/04
	Eximias Pharmaceutical (Cross Atlantic Partners)	64	4	3/31/04

	Company (lead underwriter)	Amount raised (\$ millions)	Percentage change in stock since opening ¹	Date launched	
IPO	Basilea Pharmaceutica (CS First Boston)	162	-17%	3/25/04	
	Eyeteq Pharmaceuticals (Merrill Lynch)	157	31%	1/29/04	
	Sosei (Nomura)	104	-31%	7/20/04	
	Ark Therapeutics (CS First Boston)	103	-39%	3/3/04	
	Cytokinetics (Goldman Sachs)	103	-46%	4/29/04	
	Theravance (Merrill Lynch)	98	-13%	10/5/04	
		Researcher	Investor	Deal value (\$ millions)	Deal type
Licensing/collaboration	Genpharm	Pfizer	\$510	Collaboration, development, license, cross-license	9/04
	International				
	BioNumerik Pharmaceuticals	Takeda	\$425	Development, collaboration, copromotion, license, equity, supply	10/04
	Vernalis	Endo Pharm.	\$405	License, loan, supply, copromotion	7/04
	Medarex	Bristol-Myers Squibb	\$380	Collaboration, development, license	11/04
	Plexixikon	Wyeth	\$372	Collaboration, license, loan	10/04
DOV Pharmaceutical	Merck	\$335	Copromotion, collaboration, development, license	8/04	

Source: BioCentury, ReCap.com. ¹Data as of January 18.