

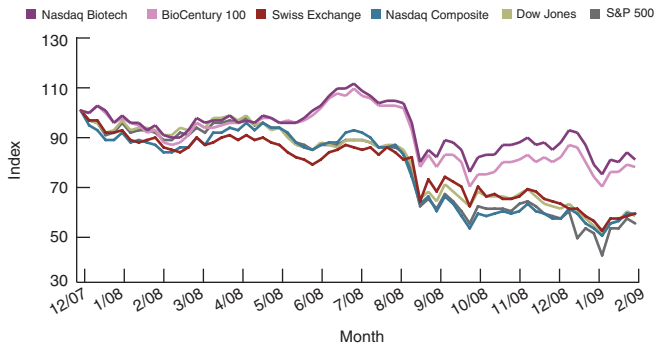
Biotech braves the winter in 1Q09

Walter Yang

Financing remained difficult for publicly traded biotechs in 1Q09, but the sector still performed better than the broader stock market, with the BioCentury 100 off just 4%, compared with 13% for the Dow Jones Industrial Average and 12% for the S&P 500. Excluding

Biotech stock market performance

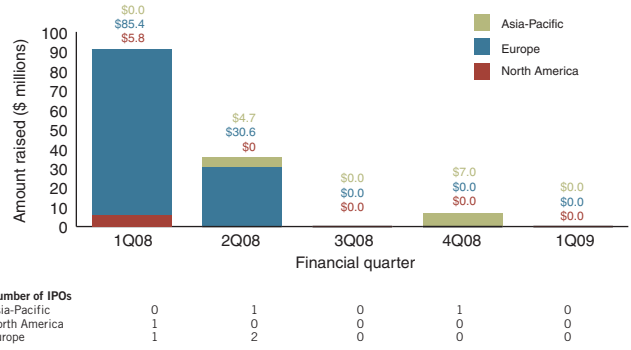
In the first quarter, the BioCentury 100 and NASDAQ Biotech indices were off 4% and 6%, respectively, while the Dow Jones and S&P 500 dropped more than 10%.



partnerships (which also remained buoyant), the industry raised \$4.7 billion, helped by \$2 billion in notes sold by Amgen (Thousand Oaks, CA, USA). Private investment kept pace with the previous four quarters, raising >\$1 billion.

Global biotech initial public offerings

The slump in initial public offerings continued, with no biotechs completing an IPO in 1Q09.

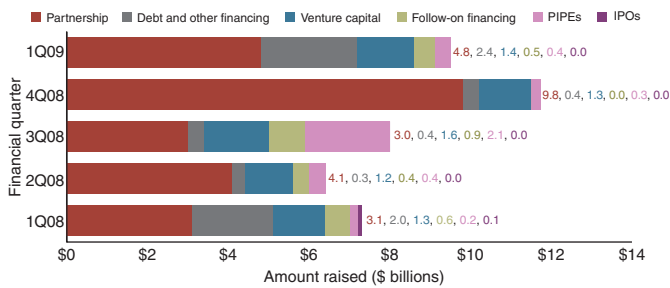


Region	1Q08	2Q08	3Q08	4Q08	1Q09
Asia-Pacific	0	1	0	1	0
North America	1	0	0	0	0
Europe	1	2	0	0	0

Table indicates number of IPOs. Source: BC IQ: BioCentury Online Intelligence

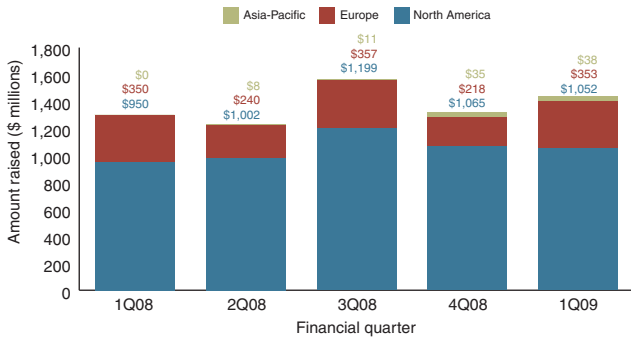
Global biotech industry financing

Less than \$1 billion was raised through equity financings by public biotechs in 1Q09, while private biotechs raised \$1.4 billion.



Global biotechnology venture capital investment

VC funding has been steady over the past five quarters, with about \$1.2-\$1.6 billion raised per quarter.



Source: BC IQ: BioCentury Online Intelligence

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

Notable Q1 biotech deals

Venture capital	Company	Amount raised (\$ millions)	Round number	Date closed	Mergers and acquisitions	Target	Acquirer	Value (\$ millions)	Date announced
	Sopherion Therapeutics (Zoticon Bioventures)	55	3	18-Feb		Genentech	Roche	46,800	12-Mar
	Anacor Pharmaceuticals ¹ (GlaxoSmithKline, Schering-Plough, Rho Capital Management, Venrock, Care Capital, Aberdare Ventures)	50	5	6-Jan		CV Therapeutics	Gilead Sciences	1,400	12-Mar
	Sangart ² (Leucadia National)	50	6	12-Mar		Ovation Pharmaceuticals	H. Lundbeck	900	9-Feb
	Victory Pharma (Essex Woodlands Health Ventures)	45	1	9-Mar		Indevus Pharmaceuticals	Endo Pharmaceuticals	637	5-Jan
	SFJ Pharmaceuticals (Abingworth Management, Clarus Ventures)	45	1	1-Jan		ViroChem Pharma	Vertex Pharmaceuticals	377	3-Mar
	Symphogen (Essex Woodlands Health Ventures)	42	5	4-Feb		Arana Therapeutics	Cephalon	205	27-Feb
	BioVex (Forbion Capital)	40	6	30-Mar					
Licensing/collaboration	Researcher	Investor	Value (\$ millions)	Deal description					
	ZymoGenetics	Bristol-Myers Squibb	1,105	Co-develop and commercialize ZymoGenetics' Phase 1 HCV compound PEG-Interferon lambda (IL-29)					
	Santaris Pharma	Wyeth	847	Discover, develop and commercialize compounds targeting RNA using Santaris' locked nucleic acids					
	Portola Pharmaceuticals	Novartis	575	Exclusive, worldwide rights to Portola's elinogrel, which is in Phase 2b to prevent thrombosis during and after percutaneous coronary intervention					
	S*Bio	Onyx Pharmaceuticals	550	Option to license exclusive rights to develop and commercialize S*Bio's Janus kinase-2 inhibitors SB1518 and SB1578 in the US, Canada and Europe for all indications					
	Peptimmune	Novartis	500	Exclusive option to license exclusive, worldwide rights to develop and commercialize Peptimmune's Phase Ib multiple sclerosis compound PI-2301					
	ImmuPharma	Cephalon	485	Cephalon exercises option to license exclusive, worldwide rights to ImmuPharma's Lupuzor					
	Idenix Pharmaceuticals	GlaxoSmithKline	451	Exclusive, worldwide license to Idenix's IDX899, a once-daily, non-nucleoside reverse transcriptase inhibitor in Phase 2 to treat HIV-1 infection					

¹Lead investor not disclosed. ²Raised \$50 million through the exercise of warrants issued in a 2007 series F round. Source: BC IQ: BioCentury Online Intelligence

Walter Yang is Research Director at BioCentury

