

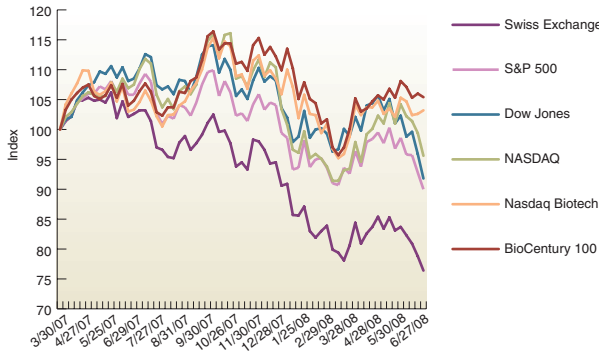
Q2 finance fall-off

Stacy Lawrence

Although biotech stocks have been outperforming broader market indices, financing for the sector has fallen off a cliff owing to the erratic markets and larger bleak economic picture. Last quarter saw only \$6.5 billion raised, a fraction of the \$15.5 billion in 2Q07. Partnering and

Biotech stock market performance

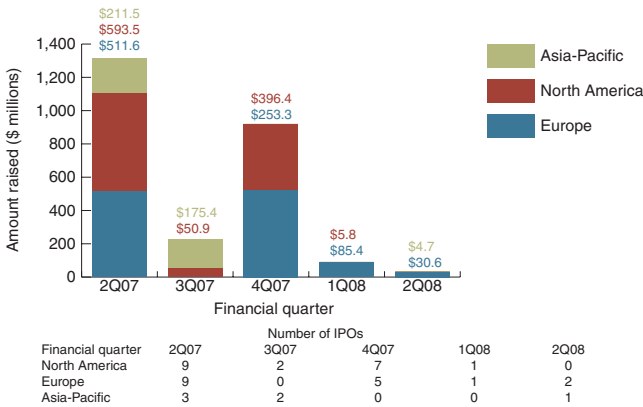
Off double-digit highs last fall, biotech indices are still in positive territory.



Source: BCIQ: BioCentury Online Intelligence, Muxtel

Global biotech initial public offerings

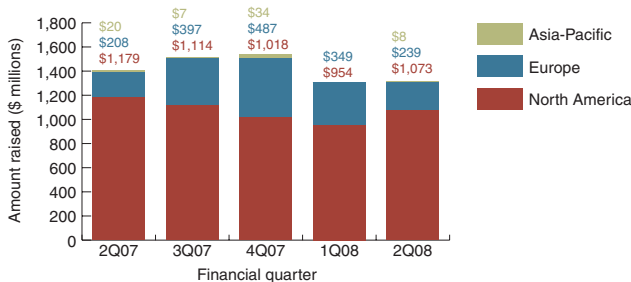
The IPO window is almost entirely shut, with only a handful making it out so far this year.



Source: BCIQ: BioCentury Online Intelligence

Global biotech venture capital investment

Europe has taken the hardest hit as venture capital investment has declined the past two quarters.

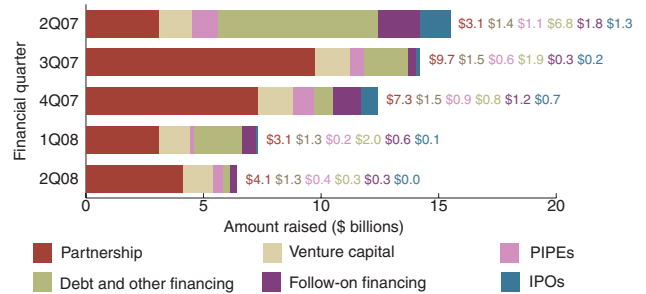


Source: BCIQ: BioCentury Online Intelligence

venture capital segments remained the strongest, whereas almost all the other types of financing dwindled to extremely low levels. The initial public offering window remains closed, with only a few small deals making it out.

Global biotech industry financing

Biotech financing in the past quarter was only ~40% of what it was a year ago.



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

Notable Q2 biotech deals

Company (lead underwriters)	Amount raised (\$ millions)	Percent change in stock price since offer ¹	Date launched
Ipsogen (Bryan Garneir)	\$18.6	0%	10-Jun

Company	Amount invested (\$ millions)	Round number	Date closed
Radius Health	\$68	3	2-Apr
Merrimack Pharmaceuticals	\$60	6	10-Jun
Intrexon	\$55	3	7-May
BrainCells	\$50	2	17-Apr
mtm laboratories	\$43	3	17-Apr
Apogenix	\$43	2	30-Apr

Target	Acquirer	Value (\$ millions)	Date announced
Millennium	Takeda	8,200	10-Apr
Applied Biosystems	Invitrogen	6,700	12-Jun
LifeCell	Kinetic Concepts	1,700	7-Apr
Sirtris	GlaxoSmithKline	651	2-May
Third Wave	Hologic	580	9-Jun
Tercica	Ipsen	441	4-Jun
Innogenetics	Gen-Probe	334	2-Jun
U3 Pharma	Daiichi Sankyo	234	21-May
Kosan	Bristol-Myers Squibb	228	29-May
Piramed	Roche	160	15-Apr

Researcher	Investor	Value (\$ millions)	Deal description
Alnylam	Takeda	>1,000	Five-year collaboration to develop RNAi therapeutics
Thrombogenics	Roche	769	Develop phase 1a mAb TB-403 for cancer and other indications
CoMentis	Astellas	760	Develop products from CoMentis' beta secretase (BACE1) inhibitor program, including phase 1 CTS-21166
Astex	Johnson & Johnson	537	Develop compounds from a fibroblast growth factor (FGF) receptor inhibitor program
Avant	Pfizer	440	Develop phase 2 CDX-110 for cancer
Medivir	Johnson & Johnson	429	Discover and develop oral HCV polymerase nonstructural protein 5B (NS5B) inhibitors to treat HCV

¹As of July 24, 2008. Deals listed include only those that comply with *Nature Biotechnology's* definition of a biotech company. Source: Recombinant Capital, BioCentury

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