

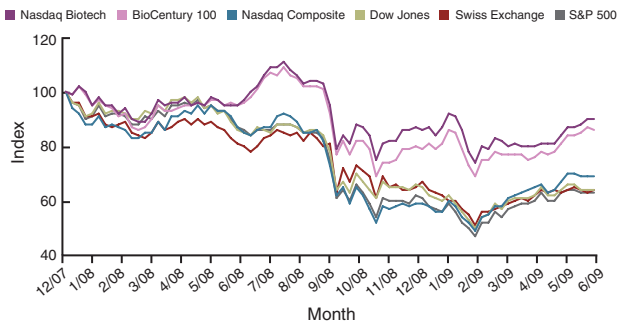
Signs of life in Q2

Walter Yang

Last quarter, the major stock indexes were up, and investors got back into the game of funding publicly traded biotechs. The industry raised \$4.6 billion, excluding partnership monies, compared with only \$2 billion in 4Q08 at the height of the credit crisis. Through follow-ons and

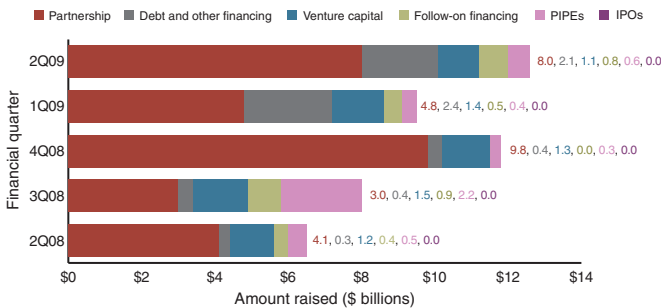
Stock market performance

The tech-heavy NASDAQ Composite led the rally last quarter, posting a 20% gain. The BioCentury 100 and the NASDAQ Biotechnology indexes were up 12% and 10%, respectively.



Global biotech industry financing

Compared with \$264 million in 4Q08, public biotechs raised \$1.4 billion through equity securities, including follow-ons and PIPEs.



IPO, initial public offering; PIPEs, private investments in public equity

Notable Q2 deals

Venture capital	Company (lead investors)	Amount raised (\$ millions)	Round number	Date closed	Mergers and acquisitions	Target	Acquirer	Value (\$ million)	Date announced
	Clovis Oncology ¹ (Domain, New Enterprise Associates, Versant, Aberdare, Abingworth, Frazier Healthcare, ProQuest, company management)	145.0	NA	21-May		Cougar Biotechnology	Johnson & Johnson	1,000.0	21-May
	Hyperion (Bay City Capital, Panorama Capital)	60.0	3	30-Jun		BiPar	Sanofi Aventis	500.0	15-Apr
	NovImmune (BZ Bank)	56.4	NA	12-May		Monogram Biosciences	Laboratory Corp. of America	106.7	23-Jul
	Proteon ^{1,2} (MPM, Vectis, TVM, Skyline Ventures, Prism VentureWorks, Intersouth, Bessemer, Devon Park, angel investors)	50.0	2	28-May		CuraGen	Celldex	94.5	29-May
	Cempra (Quaker BioVentures)	46.0	3	14-May		IDM Pharma	Takeda	66.7	18-May
	Aileron (SR One, Excel Medical)	40.0	4	8-Jun					
	Anaphore ³ (SAM Ventures, Versant, Apposite Capital)	38.0	1	14-May					
	Xanodyne (MPM)	38.0	NA	4-Jun					
Licensing / collaboration	Researcher	Investor	Value (\$ millions)	Deal description					
	Exelixis	Sanofi Aventis	>1,161	Exclusive, worldwide rights to XL147 and XL765, oral phosphoinositide 3-kinase (PI3K) inhibitors in phase 1b/2 to treat cancer					
	Chroma	GlaxoSmithKline	>1,000	Options to license exclusive, worldwide rights to four macrophage-targeted small-molecule programs					
	Concert	GlaxoSmithKline	>1,000	Options to license exclusive, worldwide rights to three deuterium-containing compounds, including protease inhibitor CTP-518, which is expected to enter phase 1 for HIV in 2H09					
	Cardiome	Merck	700	Rights to develop and commercialize intravenous and oral formulations of atrial fibrillation compound vernakalant					
	Cytokinetics	Amgen	650	Exercises option to license exclusive, worldwide rights, except in Japan, to cardiac contractility program, which includes cardiac myosin activator CK-1827452 in phase 2 for heart failure					
	GlobelImmune	Celgene	540	Option to license exclusive, worldwide rights to oncology candidates from GlobelImmune, a developer of targeted molecular immunogens dubbed Tarmogens					
	Catalyst	Wyeth	500	Exclusive, worldwide rights to develop and commercialize CB 813, a recombinant human coagulation Factor VIIa that is in preclinical development for acute bleeding in hemophilia patients					

¹Lead investor not available. ²Includes \$38 million close in March. ³Includes \$25 million close in January. NA, not available. Source: BCIQ: BioCentury Online Intelligence

PIPEs (private investments in public equity), biotechs raised \$1.4 billion in 2Q09 versus \$264 million in 4Q08. Debt financings were also up considerably, including Cephalon's \$500 million in convertible notes. Private biotech funding also remained robust.

Global biotech initial public offerings

Only four companies have completed IPOs in the past five quarters.

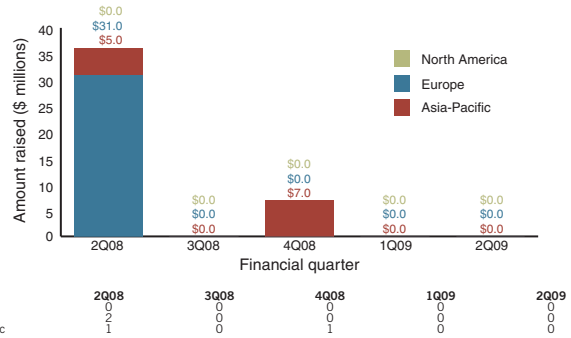


Table indicates number of IPOs. Source: BCIQ: BioCentury Online Intelligence

Global biotechnology venture capital investment

Private biotechs raised \$1.1 billion in 2Q09, slightly off (9%) from 2Q08.

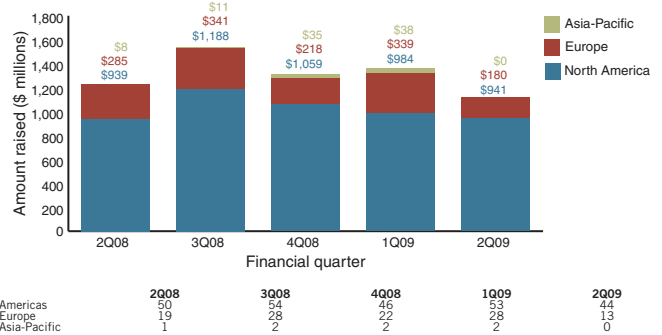


Table indicates number of VC investments and includes rounds where the amount raised was not disclosed. Source: BCIQ: BioCentury Online Intelligence

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