

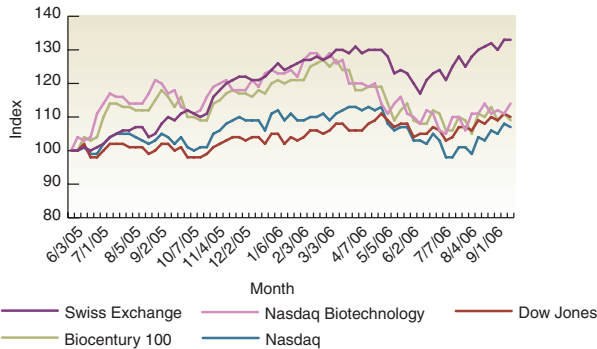
Financing flees in Q3

Stacy Lawrence

Despite relative stability in biotech stocks, financing was well below the totals racked up in recent quarters. It declined from the record high of \$16.7 billion in the first quarter to drop off by >40% to \$7 billion. Overall, however, the financing total through the third quarter (\$36 billion) almost

Stock market performance

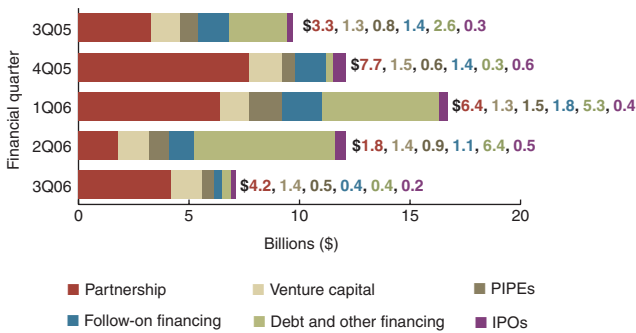
Biotech stocks were well down from highs early in the year but still up from the same period in 2005. The SWX continues to climb.



Source: Multex, BioCentury

Global biotech industry financing

Partnership funding more than doubled, after a very slow 2nd quarter, but all other funding declined.



Source: BioCentury, Burrill & Company

Notable third quarter biotech deals

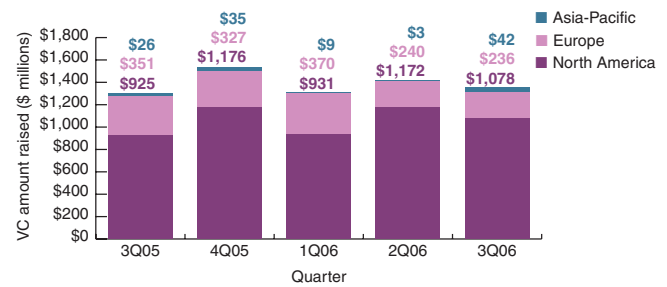
IPOs			
Company (Lead underwriters)	Amount raised (\$ millions)	Percent change in stock price since offer*	Date launched
ThromboGenics (KBC)	\$49	35%	6-Jul
Clavis Pharma (not available)	\$39	1%	7-Jul
Osiris Therapeutics (Deutsche Bank)	\$39	-9%	4-Aug
Cleveland BioLabs (Sunrise Securities, Roth Capital Partners)	\$10	-17%	20-Jul

Venture capital			
Company (Lead investors)	Amount invested (\$ millions)	Round number	Date closed
Amicus Therapeutics (New Enterprise Associates)	\$60	4	14-Sep
Ambrx (Apposite)	\$55	3	24-Jul
Abylnx (KBC)	\$51	3	23-Aug
Lux Biosciences (HBM, Novo, SV Life Sciences)	\$49	1	19-Jul
ESBATEch (SV Life Sciences, Clarus Ventures, HBM)	\$41	2	2-Aug
RenaMed Biologics (TVM Capital and Lurie Investments)	\$40	NA	7-Sep

reached that for all of 2005 (\$37 billion). Partnership and venture capital were the only categories that did not decline; although several biotech IPOs were filed in the first half of the year, only a handful of firms went public in the third quarter.

Global biotech venture capital investment

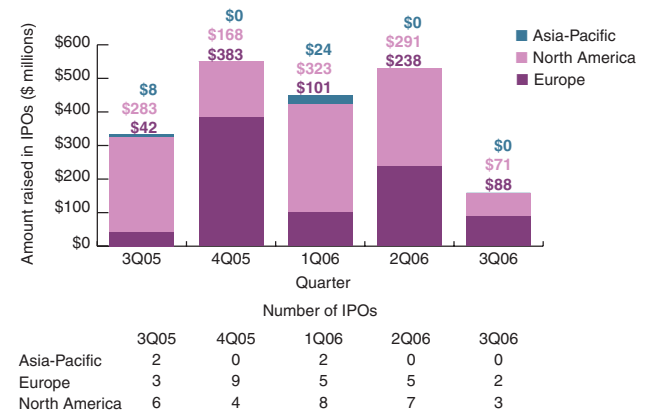
VC funding held steady around the level of the past several quarters.



Source: BioCentury

Global biotech initial public offerings

This IPO window may be edging shut; the number of offerings has dropped off dramatically.



Source: BioCentury

Mergers and acquisitions

Target	Acquirer	Value (\$ millions)	Date announced
Serono	Merck	\$13,300	21-Sep
AnorMed	Millennium	\$515	26-Sep
Avidia	Amgen	\$380	30-Sep
Carlsson Research	NeuroSearch	\$122	23-Aug

Licensing /collaboration

Researcher	Investor	Value (\$ millions)	Deal description
ChemoCentryx	GlaxoSmithKline	\$1,500	Codevelopment, copromotion, equity, license, option
Infinity Pharmaceuticals	MedImmune	\$375	Codevelopment, license
Pozen	AstraZeneca	\$285	Copromotion, license, option
Cell Therapeutics	Novartis	\$213	Development
PharmAthene	Department of Defense	\$173	License

*Price as *Nature Biotechnology* went to press.

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