

Partnering up in Q3

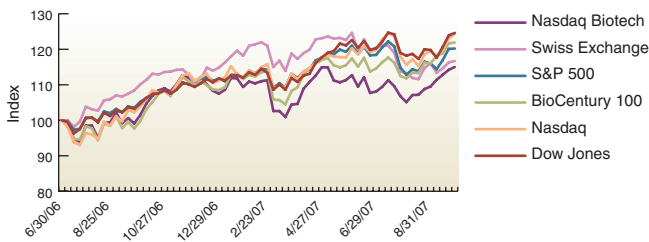
Stacy Lawrence

The potential value of partnership deals signed in Q307 hit ~\$10 billion, triple the total in Q207 and double that in Q306. A few deals in the \$500-million-plus range helped to drive these numbers. Stocks were also

buoyant at the end of the third quarter. Venture capital (VC) investment in the area remains relatively constant. Market volatility, however, sank the initial public offering (IPO) market, which saw only a few issues.

Biotech stock market performance

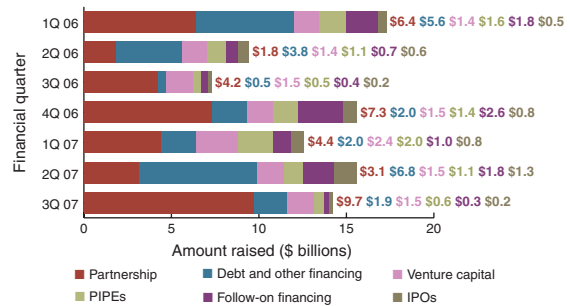
Biotech indices are performing better, with the BioCentury 100 up 22% and Nasdaq Biotech up 15% since June 2006.



Source: BCIQ: BioCentury Online Intelligence, Muxtelx

Global biotech industry financing

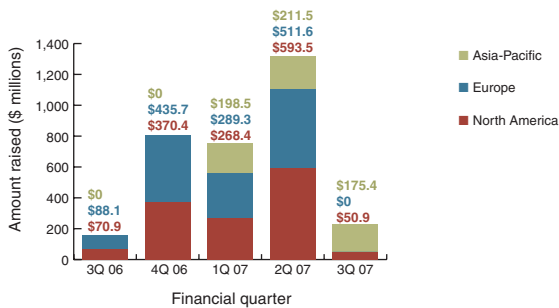
A handful of large partnerships pushed the potential value of deals signed in Q3 to ~\$10 billion.



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

Global biotech initial public offerings

China's WuXi (Shanghai), with its \$168 million NYSE offering, was the highlight of a mere four IPOs in Q3.

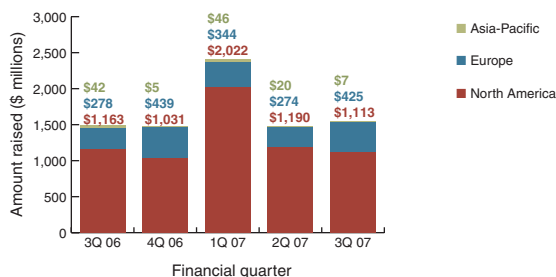


	Number of IPOs				
	3Q 06	4Q 06	1Q 07	2Q 07	3Q 07
North America	3	6	5	9	2
Europe	2	8	7	9	0
Asia-Pacific	0	0	2	3	2

Source: BCIQ: BioCentury Online Intelligence

Global biotech venture capital investment

VC funding continued at about \$1.5 billion or more, as it has in most recent quarters.



Source: BCIQ: BioCentury Online Intelligence

Notable third-quarter biotech deals

IPOs

Company (lead underwriters)	Amount raised (\$ millions)	Percent change in stock price since offer ¹	Date launched
WuXi (Credit Suisse, JP Morgan)	\$168	101%	8-Aug
Sucampo (Cowen)	\$36	-7%	2-Aug

Venture capital

Company	Amount invested (\$ millions)	Round number	Date closed
Neuromed	\$53	5	21-Aug
Ganymed	\$52	3	18-Sep
Celator	\$50	2	2-Aug
Nereus	\$45	4	9-Aug
CureVac	\$44	2	10-Jul

Mergers and acquisitions

Target	Acquirer	Value (\$ millions)	Date announced
Adnexus	Bristol-Myers	505	24-Sep
Esprit	Allergan	370	19-Sep
Novacardia	Merck	360	25-Jul
Evotec	Renovis	152	18-Sep

Licensing /collaboration

Researcher	Investor	Value (\$ millions)	Deal description
Targacept	GlaxoSmithKline	1535	Collaboration and development
Ariad	Merck	727	Collaboration and development
Radius Health	Novartis	500	Collaboration and development
SGX	Novartis	490	Collaboration and development

¹As of October 4. Deals listed include only those that comply with *Nature Biotechnology's* definition of a biotech company. Source: BioCentury, Recombinant Capital.

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