Biotech strikes back in Q3

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Financings for public biotechs returned to levels not seen in over two years. Excluding partnership funding, publicly traded companies raised \$5.9 billion in the third quarter. This is also the first quarter since the

Stock market performance

The BioCentury 100 and NASDAQ Biotechnology indexes were up 9% and 12%, respectively, whereas the Dow, NASDAQ and S&P 500 were all up more than 15%.

Global biotech industry financing

IPO and follow-on financings came back last quarter, with \$657 million from IPOs and \$2.4 billion from follow-ons. This compares to no IPOs and \$851 million in follow-ons in 3Q08.

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

IPOs, initial public offerings; PIPEs, private investments in public equity.

Notable Q3 deals

Venture capital	Company (lead investors)	Amount raised (\$ millions)	Round number	Date closed
	Pacific Biosciences ¹ (Deerfield, Intel)	\$68.0	5	12-Aug
	Calypso Medical (Skyline, Frazier)	\$50.0	5	17-Sep
	Enobia (OrbiMed)	\$50.0	3	10-Aug
	Complete Genomics (Essex Woodlands, OrbiMed)	\$45.0	4	24-Aug
	Adamas (Aeris, DAG Ventures)	\$40.0	4	18-Aug
	Zogenix (Clarus, Domain)	\$36.0	2	23-Sep

IPOs	Company (lead underwriters)	Amount raised (\$ millions)	Change in stock price since offer	Date completed
	CanBas (Mitsubishi UFJ)	\$14.8	61%	17-Sep
	Cumberland (UBS, Jefferies, Wells Fargo)	\$85.0	-5%	10-Aug
	D-Pharm (Clal Finance)	\$7.4	67%	17-Aug
	Talecris ² (Morgan Stanley, Goldman Sachs, Citigroup, JPMorgan)	\$550.0	NA	30-Sep

Licensing / collaboration	Researcher	Investor	Value (\$ millions)	Deal description
	PTC Therapeutics	Roche	\$1,924.0	Develop oral small molecules against four central nervous system disease (CNS) targets
	Nektar	AstraZeneca	\$1,120.0	Worldwide rights to NKTR-118 for opioid-induced constipation and NKTR-119 for pain without causing constipation
	Algeta	Bayer	\$800.0	Develop and commercialize Alparadin radiopharmaceutical in phase 3 for bone metastases
	Acorda	Biogen Idec	\$510.0	Ex-US rights to develop and commercialize multiple sclerosis compound Fampidine-SR
	Portola	Merck	\$470.0	Worldwide rights to oral anticoagulant bextrixabanin
	Crucell	Johnson & Johnson	>\$440.8	Develop and commercialize monoclonal antibodies and vaccines to treat and prevent influenza and other infectious and noninfectious diseases
	NeuroSearch	Johnson & Johnson	>\$346.2	Develop undisclosed therapeutics to treat various CNS diseases
	BioLineRx	Ikaria	\$282.5	Worldwide rights to BL-1040 to prevent pathological cardiac remodeling after acute myocardial infarction
	Clinical Data	CombinatoRx	\$252.0	Worldwide rights to ATL313 for use in a combination therapy to treat multiple myeloma and other B-cell cancers

¹Series E extension. ²Started trading on Oct. 1. NA, not available. Source: BCIQ: BioCentury Online Intelligence

end of 2008 that money was raised through an initial public offering. Venture financing stayed level at about \$1.2 billion. Overall biotech indices underperformed compared with the Dow Jones and S&P 500.

Global biotech initial public offerings

Last quarter marks the first time the industry raised money through IPOs since 4Q08.

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

Global biotech venture capital investment

About \$1.2 billion was raised by private biotechs in 3Q09, up 8% from 2Q09, but down 16% from a year ago.

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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