

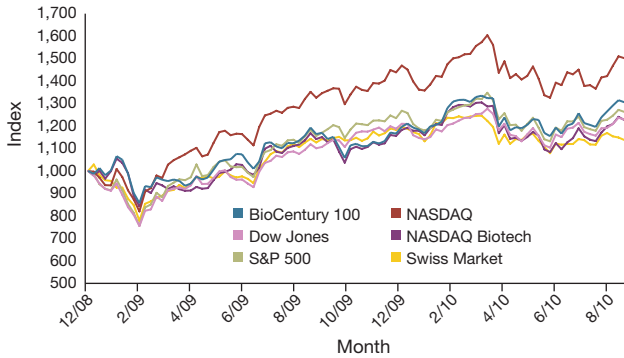
Biotech rallies in Q3

Walter Yang

Biotech stocks stormed back with the rest of the markets last quarter. Although funding for public biotechs was \$9.1 billion, up 55% from the same quarter last year, this figure was largely the result of debt deals completed by Amgen, Gilead and Valeant. For the sector as a

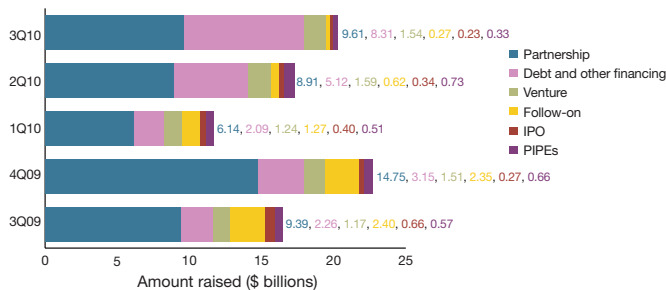
Stock market performance

In the past quarter, biotech indices performed (up 12%) similarly to the Dow and S&P 500 (up 10% and 11%, respectively).



Global biotech industry financing

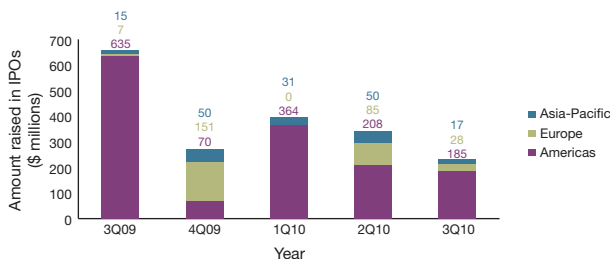
Although money raised by public offerings and PIPEs was down 77% on the same quarter last year, debt financings grew nearly threefold.



PIPEs, private investment in public equities. Partnership figures are for deals involving a US company. Source: BCIQ: BioCentury Online Intelligence, Burrill & Co.

Global biotech initial public offerings

Money raised from IPOs fell 65% to \$230.7 million from 3Q09.



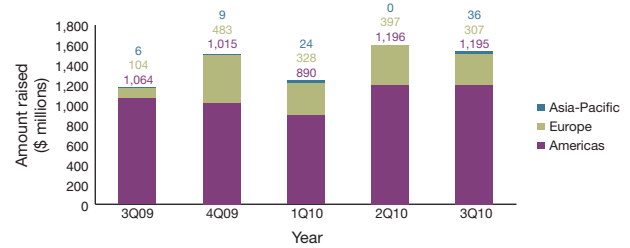
	3Q09	4Q09	1Q10	2Q10	3Q10
Americas	2	2	4	4	3
Europe	1	2	0	5	1
Asia-Pacific	1	2	2	1	1

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

whole, equity financings for public biotechs were the lowest since the depths of the economic meltdown in Q408, when the industry raised only \$270.6 million. Private financing remains buoyant (above \$1 billion).

Global biotech venture capital investment

Venture money raised was up 31% to \$1.5 billion from \$1.2 billion 3Q09.



	3Q09	4Q09	1Q10	2Q10	3Q10
Americas	49	58	58	75	52
Europe	14	34	30	27	22
Asia-Pacific	1	1	1	1	3

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

Notable Q3 deals

Venture capital	Amount raised (\$ millions)	Round number	Date closed
Company (lead investors)			
Pacific Biosciences ^a (Gen-Probe)	109.0	6	14-Jul
Reata (CPMG, Novo A/S)	78.0	7	12-Jul
immatics (MIG Funds, AT Impf, dievini)	70.5	3	21-Sep
Hopp BioTech			
Relypsa (OrbiMed)	70.0	2	13-Sep
Cerenis ^b (Fonds Stratégique d' Investissement)	51.7	3	26-Jul

Mergers and acquisitions

Target	Acquirer	Value (\$ millions)	Date announced
Talecris	Grifols	3,400	7-Jun
Crucell ^c	Johnson & Johnson	2,200	17-Sep
ZymoGenetics	Bristol-Myers Squibb	885	7-Sep
Movetis	Shire	560	3-Aug

IPOs

Company (lead underwriters)	Amount raised (\$ millions)	Change in stock price since offer	Date completed
Amyris (Morgan Stanley, JP Morgan, Goldman Sachs)	84.8	8%	28-Sep
Seegene	17.5	25%	13-Sep
NuPathe (Leerink, Lazard)	50.0	-28%	6-Aug
Trius Therapeutics (Citigroup)	50.0	-21%	3-Aug
Novagali Pharma (Bryan, Garnier)	28.4	3%	21-Jul

Licensing/collaboration

Researcher	Investor	Value (\$ millions)	Deal description
Arena	Eisai	1,370	Exclusive US rights to market Arena's obesity compound lorcaserin
Aileron	Roche	1,125	Discover, develop and commercialize therapeutics against up to five undisclosed targets using Aileron's stapled peptide technology
Orexigen	Takeda	1,050	Exclusive rights to commercialize obesity candidate Contrave in the US, Canada and Mexico
Seattle Genetics	Roche	912	Adds antigens to a 2002 deal that gave Roche unit Genentech rights to use its antibody-drug conjugate technology

^aIncludes \$50 million from Gen-Probe that was announced in June. ^bFirst close of a series C round. ^cFormal proposal announced in October (after end of Q3). Source: BCIQ: BioCentury Online Intelligence

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