

companies is the kind of thing that might turn it around again."

Another Wall Street analyst disagrees, claiming there is a quantifiable difference in the companies now making offerings. "You have companies coming public that for the most part have not been around for as long as some of the other biotechnology companies," she notes. "My view of these companies is that they are *déjà vu*. They're all working on projects that everyone else is, and they're two or more years too late." She concludes that "as the 1982-83 new issue market matured, you got lesser quality [biotechnology] issues coming out," so investors shifted their favor from blue-sky to blue-chip stocks.

These sentiments are echoed by another biotech analyst: "What's left are the *very* speculative issues that are just above penny stocks. These companies have good potential, but they are too risky for the major [investment banking] houses."

Janice LeCog, biomedical technology analyst at Montgomery Securities (San Francisco, CA), predicts that more biotechnology companies are likely to develop further on private funding and R&D limited partnerships before attempting to go public. "People are becoming more sophisticated about valuing these compa-

nies," she says. "There's a much more conservative view about how much a company is worth if it has only concepts." She concludes, "The valuations of these companies are going down. The question is how far down are they going to come."

Biotech firms that have recently made, or are about to make, public offerings are anxiously awaiting the answer to that question.

- DNA Plant Technology Corp (Cinnaminson, NJ), boasting a research contract with Campbell Soup for developing improved tomatoes, filed for an initial public offering of 2 million shares to be priced between \$8 and \$11 each.

- Cytogen Corp. (Princeton, NJ), purchased last summer by American Cyanamid (Wayne, NJ), is expected to offer 1.5 million shares at between \$14 and \$16 per share, though some analysts believe the underwriters may lower the price.

- Xenogen (Mansfield, CT), working on various projects mostly concerned with diagnostics, filed for an offering of 750,000 units at \$6 a unit, each unit consisting of 3 shares and 3 class A common stock purchase warrants.

- California Biotechnology (Mountain View, CA), the firm structured by E.F. Hutton and having a \$23 million R&D limited partnership, of-

fered 1 million shares (instead of a previously estimated 1.6 million) at \$12 each.

- Intelligenetics (Palo Alto, CA), filed for an initial offering of 1.6 million shares to be priced at \$6-7 per share.

- Synergen (Boulder, CO), working on microbially enhanced oil recovery and producing specialty chemicals and enzymes, will offer 1.4 million shares at \$14 and \$16 a share.

- Agrigenetics (Boulder, CO) is expected to offer 2 million shares at between \$13 and \$16 share.

- Celtek (Norman, OK) filed for an initial offering of 600,000 units at an estimated \$5.50-7.00 each.

- Biotechnology Development Corp. (Waltham, MA), filed for an initial public offering of 650,000 units. The estimated price is \$6 per unit.

The success or failure of these offerings is sure to influence other firms contemplating similar actions. While some overworked biotech analysts lament that it seems as if all the biotechnology companies have already gone public, there are still a few firms that remain private. Among these, Repligen Corp. (Boston, MA) and Genetics Institute (Boston, MA) recently completed private equity placements of \$6.6 million and \$25.5 million, respectively.

—Arthur Klausner

BIO/TECHNOLOGY STOCK INDEX OF SPECIALTY FIRMS

	Price Oct. 15	Price Nov. 15	Percent Change	52 Week Hi-Low	Market Capitalization in \$ millions (stock price × number of shares outstanding)
Companies Emphasizing Recombinant DNA Technology					
Amgen	7½	6¾	-10	18-5¾	68
Bio Logicals	27½	17½	-35	6½-1¾	11
Biogen	13	12¼	-6	24½-10¾	227
Biotech Research Labs	10	9¼	-8	21½-6½	47
Biotechnica International	8¾	6¼	-29	17¼-6¼	24
Cetus	13½	11½	-15	19-10¼	253
Collaborative Research	97½	8¼	-16	15½-7¾	82
Enzo Biochem	25	23¼	-7	34¼-11¾	202
Genentech	34½	33	-4	49¾-25¼	469
Genex	17¾	14¾	-15	23¼-8½	189
Molecular Genetics	16	13¾	-14	23-12	84
Companies Emphasizing Antibody Production Technologies					
Bio-Response	14¼	117½	-17	16½-6	94
Cambridge BioScience	6	5	-17	17¼-4	20
Centocor	13¾	14	+2	25½-12	98
Damon Biotech	9½	8½	-11	17½-6¾	163
Genetic Systems	9½	9¾	-1	17¾-6¼	185
Hybritech	24¼	20¾	-14	31-19½	214
Monoclonal Antibodies	17½	15½	-11	28½-12½	37
Summa Medical	10½	8½	-23	18¾-6¾	63
Companies Emphasizing Other Products or Biotechnologies					
Genetic Engineering Inc.	5	5¾	+12	107½-3½	14
Immunex	9½	6½	-32	13¾-6½	37
Interferon Sciences	6½	4¾	-27	11-3½	19
Ribi Immunochem	8½	6¼	-26	16½-5¾	19

The BIO/TECHNOLOGY Stock Index of Specialty Firms stands at 727 as of November 15, down from 784 on Oct. 15, 1983.