

OUR ONLY AGENDA IS THE
SUCCESS OF THE INDUSTRY

BIO Industry Analysis

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BIO Europe Spring

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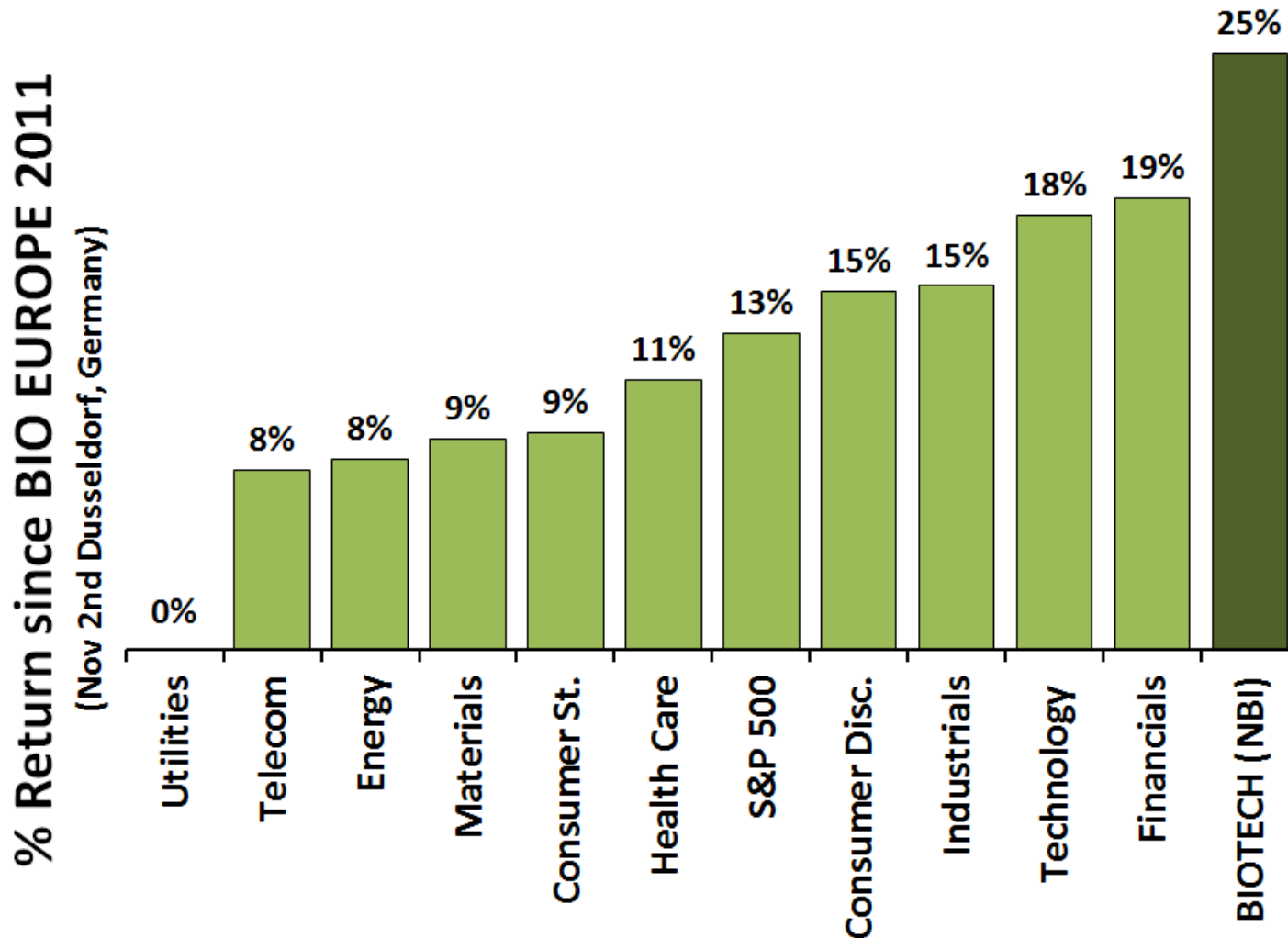
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Observations & Trends

- 1. Public Markets (US)**
- 2. Private Investment (US)**
- 3. Partnering of Therapeutics (Global)**

Some Good News To Start With....

But Is This Just Temporary?



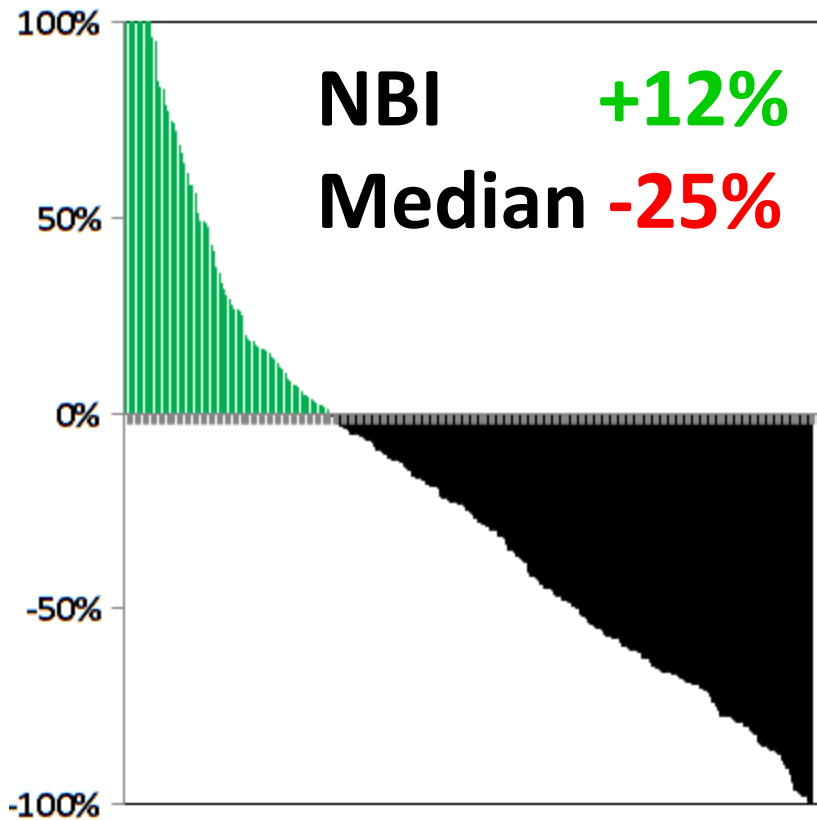
Source: BIO Industry Analysis, FactSet

NBI = Nasdaq Biotech Index (Market Cap Weighted)

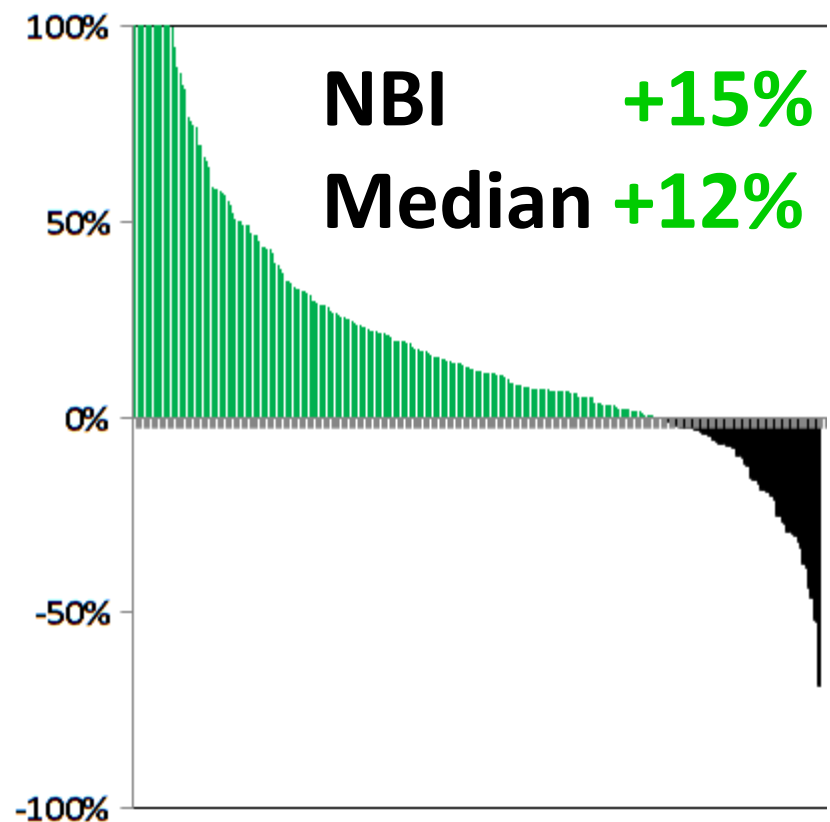
Is 2012 Different?

Stock Performance Of 300 US Biotechs

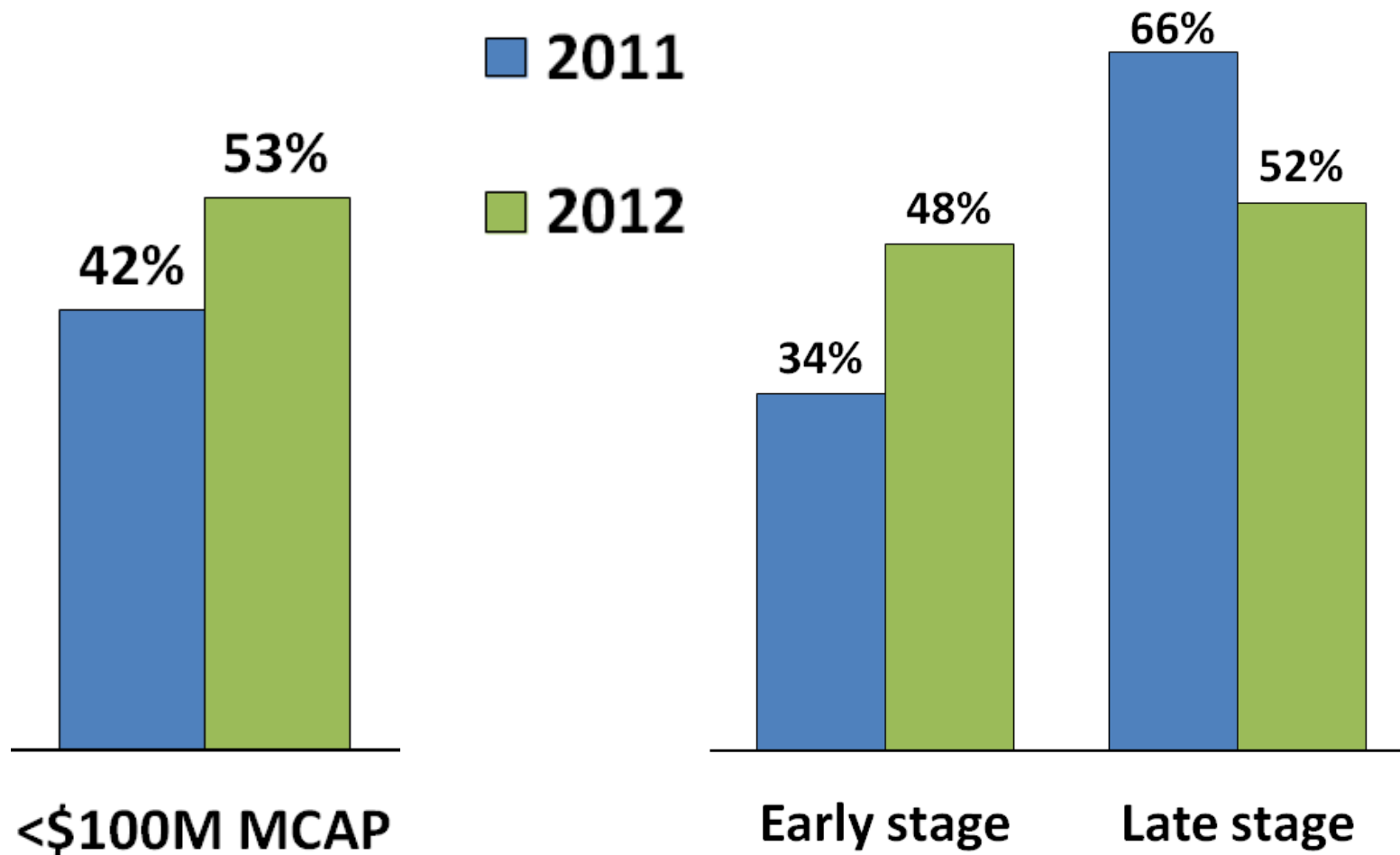
2011



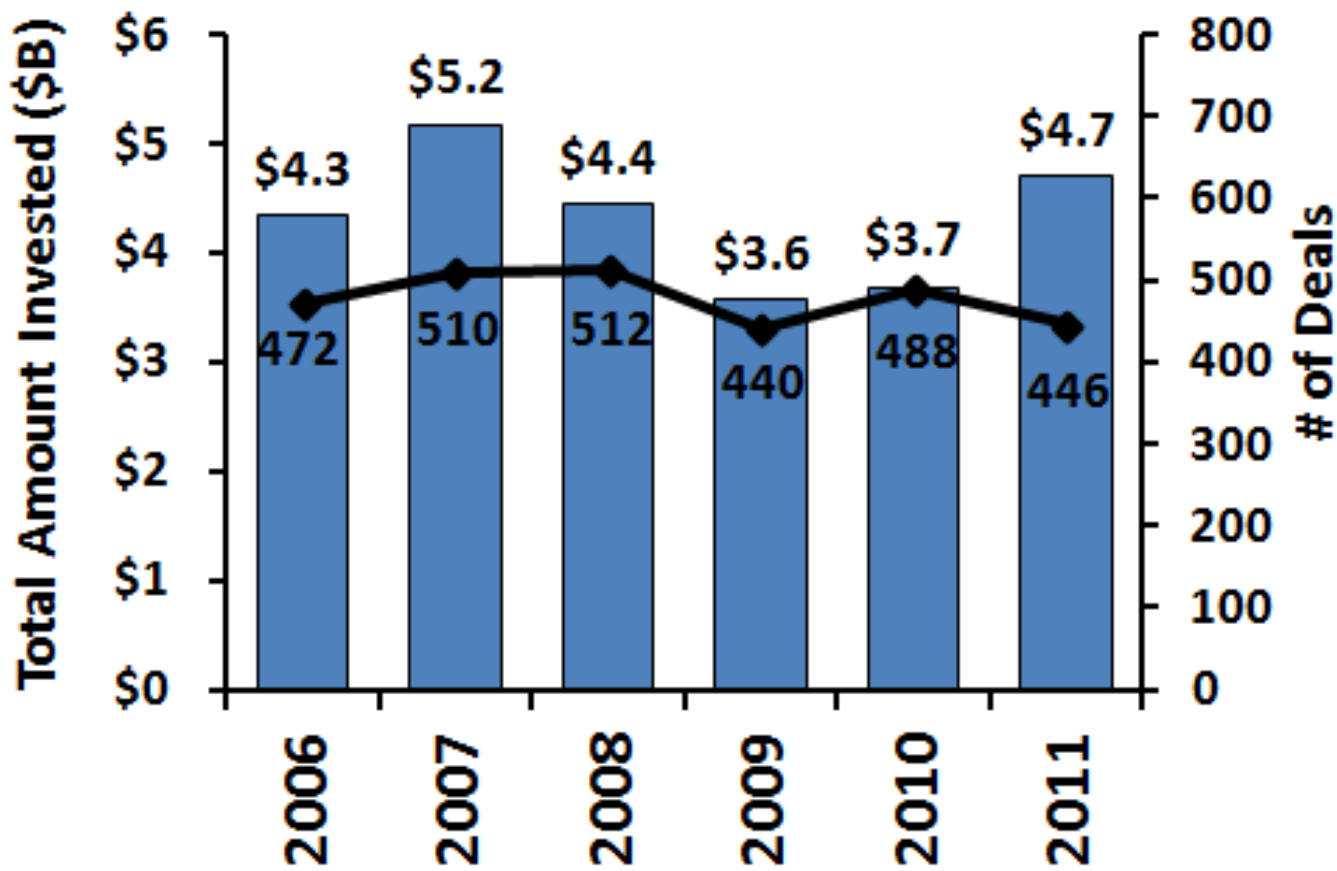
2012 YTD



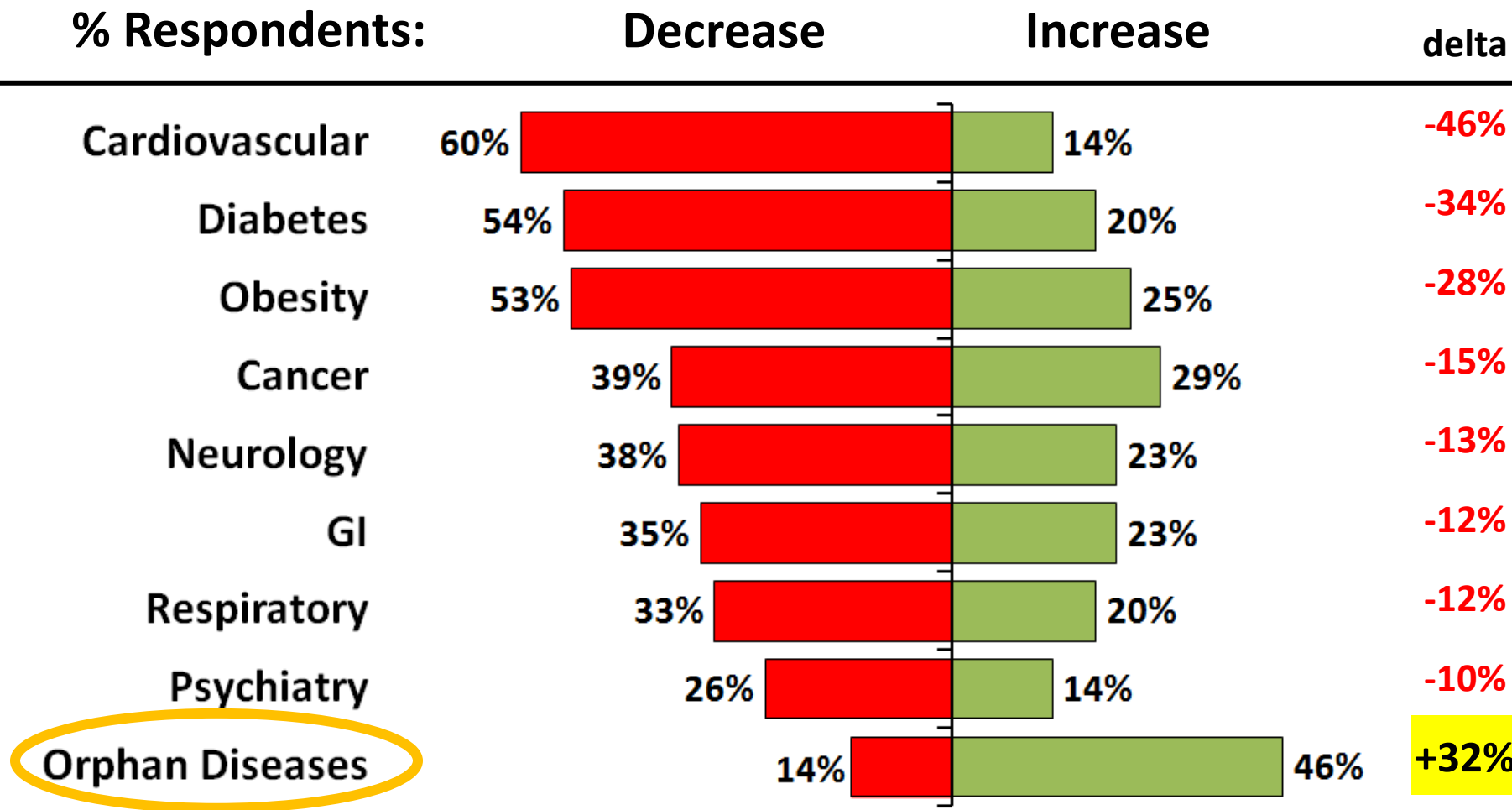
Public Equity Investors More Focused on Small, Early Stage in 2012



US Venture Investment In 2011: Increased Overall But ... To Fewer Companies

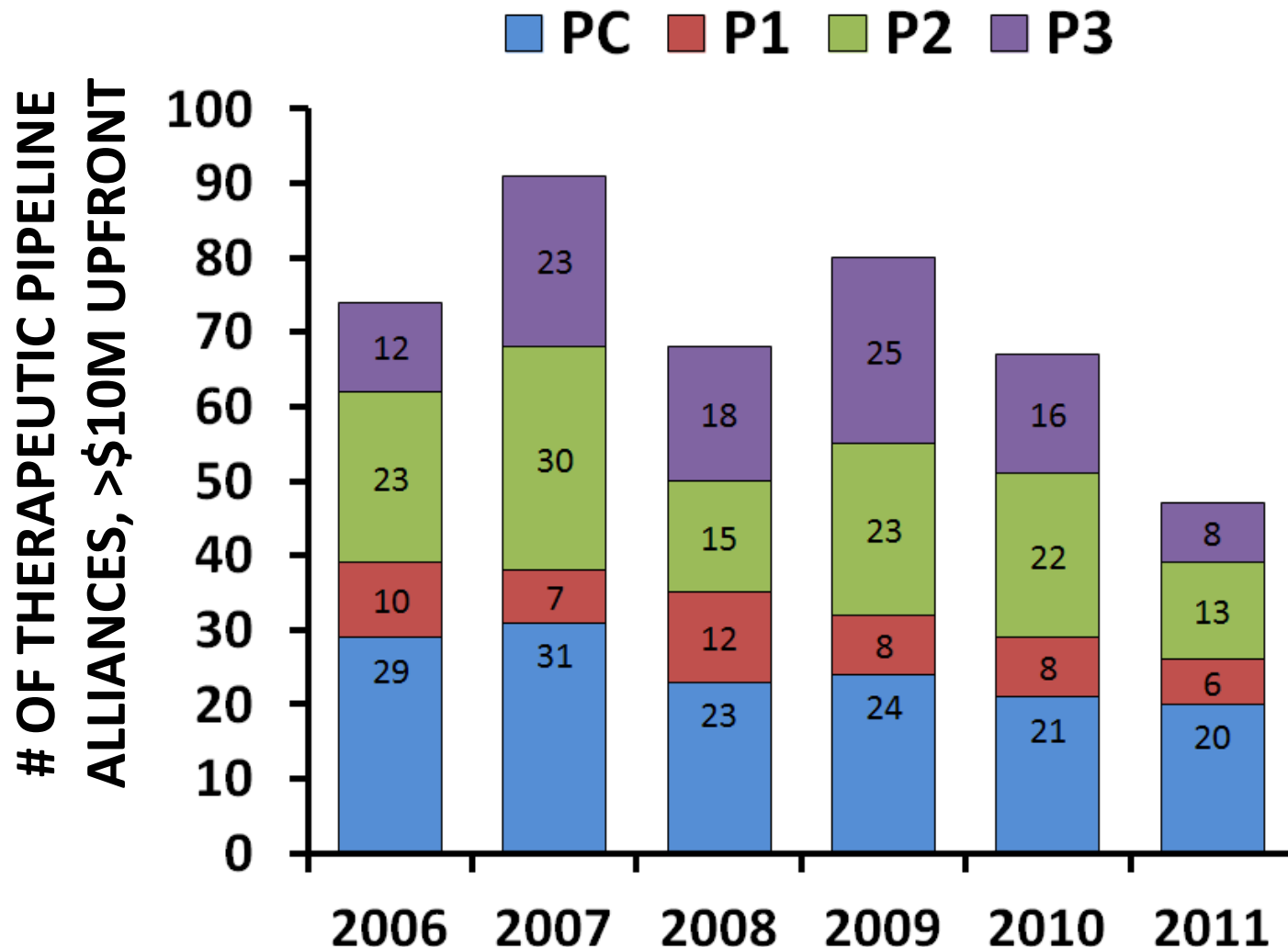


VCs Look to Increase Investment in Orphan Diseases



Therapeutic Alliance Volume in 2011

Where Did All The Deals Go?

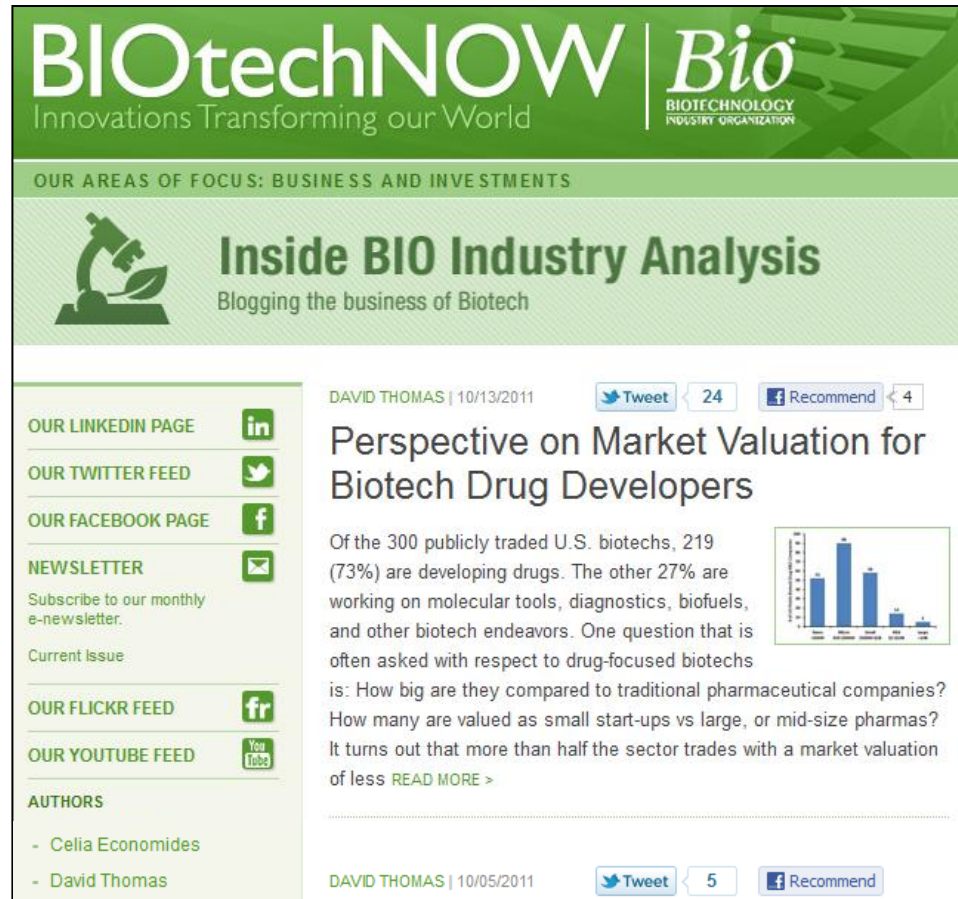


Implications

- 1. Public markets:** strength, breadth, optimism.
Small companies able to raise capital in follow-on rounds and we should see more IPOs.
- 2. Private investment:** more selective.
Great new ideas are being turned away as first round financing is reserved for only a few innovative companies and for those that are “de-risked”.
Regulatory environment needs to change.
- 3. Partnering:** more competitive.
More partnering conferences, more 1x1 meetings


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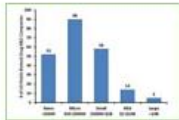
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Perspective on Market Valuation for Biotech Drug Developers

Of the 300 publicly traded U.S. biotechs, 219 (73%) are developing drugs. The other 27% are working on molecular tools, diagnostics, biofuels, and other biotech endeavors. One question that is often asked with respect to drug-focused biotechs is: How big are they compared to traditional pharmaceutical companies? How many are valued as small start-ups vs large, or mid-size pharmas? It turns out that more than half the sector trades with a market valuation of less [READ MORE >](#)



Market Valuation Range	Number of Biotechs
Less than \$100 million	150
\$100 million to \$500 million	100
\$500 million to \$1 billion	50
\$1 billion to \$5 billion	20
More than \$5 billion	10

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