

# 1Q09 Update

OnBioVC tracked 84 financings for 1Q09, down 1 from 85 deals in 4Q08. The first quarter of 2009 combined bioscience investment proceeds totaled approximately \$1,430M, an increase of roughly \$41M from \$1,390M in the final quarter of 2008, yielding a quarter-over-quarter investment increase of 3%. The first quarter capital totals place 2009 at a run rate of \$5,720M, if this value is to hold true for the year then one must trace back six years to 2003 to unearth an annual period where less than \$6B was invested in biopharma and medical devices; that 2003 total being \$5,343M (2004 - \$6,203M, 2005 - \$6,139, 2006 - \$7,518M, 2007 - \$9,308 and 2008 - \$7,960).

Diagnostics and oncology therapeutics was where the 1Q09 deals were concentrated (16-deals/\$198.2M total, 8-deals/\$44.1M Dx and 8-deals/\$154.8M oncology). This is an interesting dichotomy. Why? Word on the street echoes an investment interest in opting out of the capital intensive and lengthy time horizons that THx deals require and instead select Dx opportunities where timelines and capital requirements are more compressed. Naturally out comes a quarter where the deals are evenly split between the two sectors, go figure, perhaps a year or two ago we may have seen THx 16 Dx 0.

A second interesting observation relates to the challenges seen with the antibiotic and anti-infective business model, that being very few products meeting the blockbuster sales criteria, combine this with the often need for multiple indications...meaning multiple clinical trials, all this adds up to a general lack of interest in pursuit despite the marked rise in resistance. Encouragingly 1Q09 saw 6 anti-infective deals raise a total of \$121.9M.

California and Massachusetts continued their dominance in attracting investment dollars. CA was home to 26 financings accounting for \$450M and MA closed on 15 deals attracting \$271M. Ex-US, primarily the EU saw 20 signed term sheets totaling \$336M.

Biopharma was the sector who attracted the lions share of investment dollars (\$954.9M) for 1Q09 followed by devices (\$365.2M), biofuels (\$65.1M) and diagnostics (44.1M).

COMPANY FOCI	# of Financings
Diagnostics	8
Oncology	8
Anti-infective	6
Cardiovascular	6
Vaccine	4
Antibody	3
Inflammation	3
Telemedicine	3
Device (Delivery)	2
Device (Obesity)	2
Metabolism	2
Neurology	2
Ophthalmology	2
Sequencing	2
Aesthetics Dermatology	1
Antiviral	1
Atrimer	1
Bioagriculture	1
Biofuel	1
Catheter	1
CMO	1
CNS	1
CRO	1
Dermatology	1
Device (Cardiovascular)	1
Device (Catheter)	1
Device (ENT)	1
Device (Imaging)	1
Device (Orthopedic)	1
Device (Pump)	1
Device (Spine)	1
Dyskinesia	1
Ethanol	1
G-Protein	1
Hemoglobin	1
Imaging	1
Immunology	1
Oxidative Stress	1
Pain	1
Renal	1
siDNA	1
Stealth Mode	1
Stem Cell	1
Synthesis gas	1
Therapeutic Platform	1

## ONBIOVC.com TREND ANALYSIS

1Q09						
COMPANY	ROUND	RAISE (\$M)	REGION	STATE	SECTOR	I° INDICATION
7TM Pharma	E	15.0	International	EX	Biopharma	Metabolism
AC Immune	C	34.6	International	EX	Biopharma	Antibody
Acclarent	D	26.0	West	CA	Device	Device (ENT)
ActoGeniX	B	17.1	International	EX	Biopharma	Metabolism
Alios BioPharma	A	8.4	West	CA	Biopharma	Antiviral
Anaphore	A	25.0	West	CA	Biopharma	Atrimer
Arcxis Biotechnologies	B	5.0	West	CA	Diagnostic	Device (Diagnostic)
Arcxis Biotechnologies	B	5.0	West	CA	Diagnostic	Device (Diagnostics)
Ardian	C	47	West	CA	Device	Catheter
Atritech	E	30	Mid West	MN	Device	Cardiology
Axikin Pharmaceuticals	A	3.0	West	CA	Biopharma	Inflammation
BiOptix Diagnostics	A	3	Rocky Mountain	CO	Diagnostic	Device (Diagnostic)
BioVex	F	40	North East	MA	Biopharma	Vaccine
BiPar Sciences	C	16.0	West	CA	Biopharma	Oncology
Cardio3Biosciences	B	9.3	International	EX	Biopharma	Cardiology
Chiasma	B	11.0	International	EX	Device	Device (Deliver)
Chiral Quest	B	13.0	North East	NJ	Biopharma	CMO
CircuLite	C	23.5	North East	NJ	Device	Cardiology
Claros Diagnostics	B	4	North East	MA	Diagnostic	Device (Diagnostic)
Concetric Medical	D	15.0	West	CA	Device	Device (Catheter)
CorAssist Cardiovascular	B	5.3	International	EX	Device	Cardiology
Crux Biomedical	B	8.0	West	CA	Device	Device (Cadiology)
CT Atlantic	A	8.9	International	EX	Biopharma	Oncology
DBV Technologies	B	7.7	International	EX	Device	Device (Deliver)
DFine	D	35.0	West	CA	Device	Device (Spine)
Diagnosoft	B	4.0	South East	NC	Device	Device (Imaging)
Divergence	C	11.8	Mid West	MO	Biopharma	Bioagriculture
DNA Therapeutics	A	2.8	International	EX	Biopharma	siDNA
Eiger Biopharmaceuticals	A	7.1	West	CA	Biopharma	Stealth Mode
Esperance Pharmaceuticals	A	5.0	South East	LA	Biopharma	Oncology
Forma Therapeutics	A	25.0	North East	MA	Biopharma	Oncology
Garnet Biotherapeutics	A	10.4	North East	PA	Biopharma	Dermatology
Genocea Biosciences	A	23.0	North East	MA	Biopharma	Vaccine
GenoLogics	C	4	International	EX	Device	Sequencing
GetWellNetwork	C	10	Mid Atlantic	MD	Device	Telemedicine
GI Dynamics	C	15.0	North East	MA	Device	Device (Obesity)
GlycoVaxyn	B	22	International	EX	Biopharma	Vaccine
Heptares Therapeutics	A	29.9	International	EX	Biopharma	G-Protein

Based in Boulder, Colorado, OnBioVC provides timely coverage and comprehensive analysis of global bioscience venture capital investment activity.  
[www.OnBioVC.com](http://www.OnBioVC.com)

**ONBIOVC.com TREND ANALYSIS**
**1Q09**

COMPANY	ROUND	RAISE (\$M)	REGION	STATE	SECTOR	I° INDICATION
HX Diagnostics	A	3.1	West	CA	Diagnostic	Device (Diagnostics)
Hydra Biosciences	D	22.0	North East	MA	Biopharma	Inflammation
Ikano Therapeutics	B	9.0	South East	KY	Biopharma	Pain
InSet Technologies	B	25.0	North East	NJ	Device	Device (Pump)
InterMed Discovery	B	9.9	International	EX	Biopharma	CRO
Intradigm	B	2.9	West	CA	Biopharma	Oncology
Kenta Biotech	B	10.0	International	EX	Biopharma	Antiinfectives
Koltan Pharmaceuticals	A	35.0	North East	CT	Biopharma	Oncology
Kythera Biopharmaceuticals	C	10.0	West	CA	Biopharma	Aesthetics Dermatology
LensX Lasers	B	22.4	West	CA	Device	Ophthalmology
Linkage Biosciences	A	2.0	West	CA	Diagnostic	Device (Diagnostics)
Lytix Biopharma	D	10.4	International	EX	Biopharma	Antiinfective
MD-IT	B	11.0	Rocky Mountain	CO	Device	Telemedicine
Mithridion	B	2.9	Mid West	WI	Biopharma	CNS
MolecularMD	A	3.0	North West	OR	Diagnostic	Device (Diagnostic)
Mpex Pharmaceuticals	D	27.5	West	CA	Biopharma	Antibiotic
NanoBio Corp	B	12.0	Mid West	MI	Biopharma	Anitnfective
NeoVista, Inc	D	18.0	West	CA	Device	Ophthalmology
Neuraltus Pharmaceuticals	A	17.0	West	CA	Biopharma	Dyskinesia
Nexstim	C	7.9	International	EX	Device	Imaging
NKT Therapeutics	A	8.0	North East	MA	Biopharma	Antibody
Opona Therapeutics	B	22.9	International	EX	Biopharma	Inflammation
OPX Biotechnologies	C	12.1	Rocky Mountain	CO	Biofuels	Biofuel
Orthopaedic Synergy	A	4.8	North East	MA	Device	Device (Orthopedic)
Phreesia	C	11.6	North East	NY	Device	Telemedicine
Proteon Therapeutics	B	38.0	North East	MA	Biopharma	Renal
Qwell Pharmacaceuticala	A	7.0	North West	WA	Biopharma	Oncology
Real Time Genomics	A	3.0	West	CA	Device	Sequencing
Relypsa	A	10.0	West	CA	Biopharma	Cardiology
ReShape Medical	B	20.0	West	CA	Device	Device (Obesity)
Rib-X Pharmaceuticals	D	25.0	North East	CT	Biopharma	Antiinfective
Sangart	F	50.0	West	CA	Biopharma	Hemoglobin
Satori Pharmaceuticals	B	22.0	North East	MA	Biopharma	Neurology
Selecta Biosciences	B	15.1	North East	MA	Biopharma	Immunology
SFJ Pharmaceuticals	A	45.0	West	CA	Biopharma	Therapeutic Platform
Singulex	D	19.0	West	CA	Diagnostic	Device (Diagnostic)
Sopherion Therapeutics	C	55.0	North East	NJ	Biopharma	Oncology

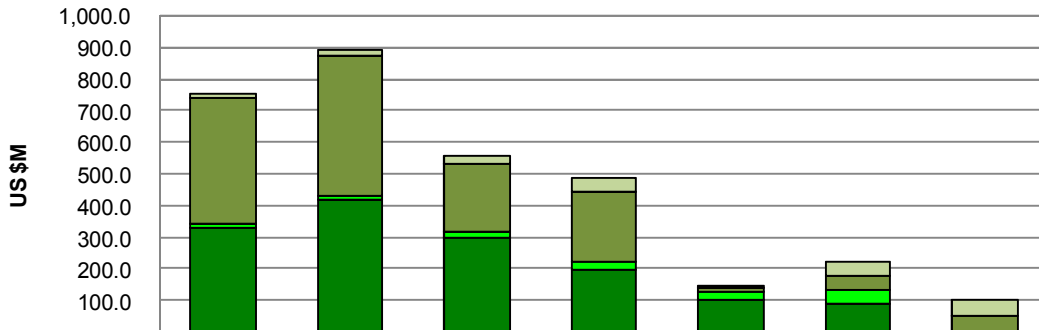
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## ONBIOVC.com TREND ANALYSIS

1Q09

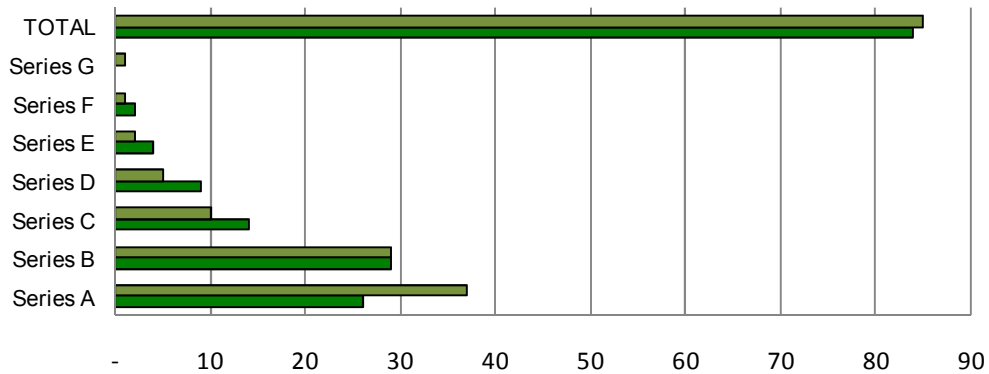
COMPANY	ROUND	RAISE (\$M)	REGION	STATE	SECTOR	I° INDICATION
Stemgent	A	14.0	North East	MA	Biopharma	Stem Cell
Surface Logix	E	15.0	North East	MA	Biopharma	Cardiology
Symphogen	E	42.3	International	EX	Biopharma	Antibody
Synosia Therapeutics	B	28.7	International	EX	Biopharma	Neurology
TaiGen Biotechnology	C	37.0	International	EX	Biopharma	Antiinfective
TargAnox	A	5.1	North East	MA	Biopharma	Oxidative Stress
Vivaldi Biosciences	A	18.9	North East	NY	Biopharma	Vaccines
ZeaChem	B	34.0	Rocky Mountain	CO	Biofuels	Ethanol
Ze-gen	B	20.0	North East	MA	Biofuels	Synthesis gas

### Aggregate Dollars Raised per Round 4Q08 v. 1Q09



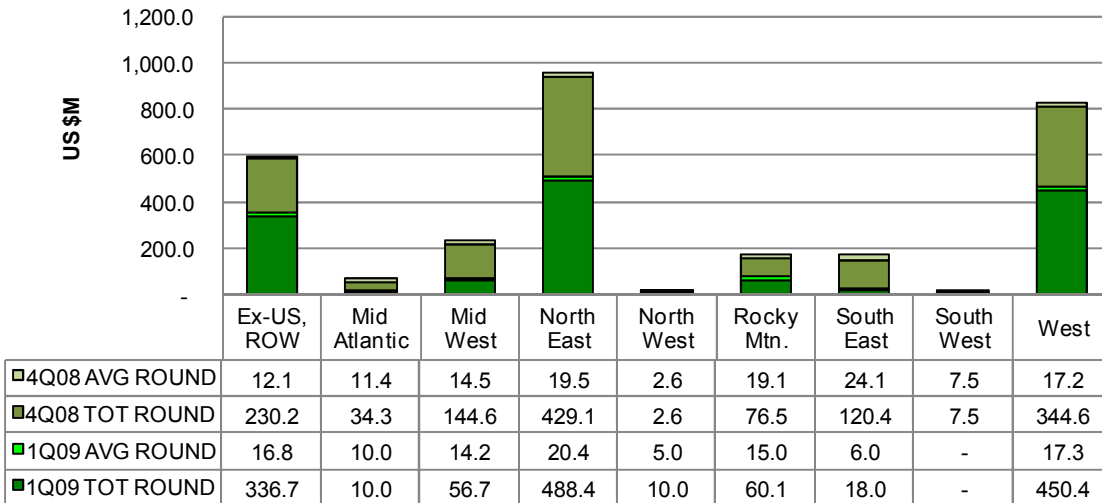
	Series A	Series B	Series C	Series D	Series E	Series F	Series G
4Q08 AVG ROUND	10.8	15.3	21.6	44.8	6.4	43.0	50.0
4Q08 TOT ROUND	400.1	444.3	215.7	224.0	12.7	43.0	50.0
1Q09 AVG ROUND	12.6	14.4	21.1	22.0	25.6	45.0	-
1Q09 TOT ROUND	327.4	417.2	295.5	197.9	102.3	90.0	-

### Total Financings per Round 4Q08 v. 1Q09

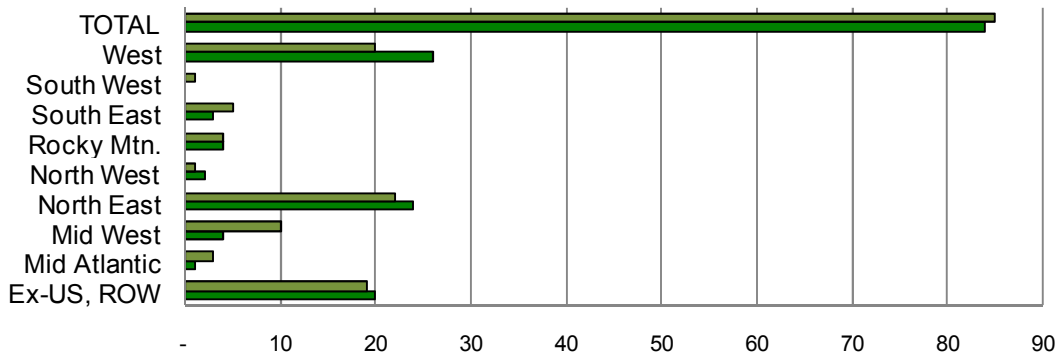


	Series A	Series B	Series C	Series D	Series E	Series F	Series G	TOTAL
4Q08 DEALS	37	29	10	5	2	1	1	85
1Q09 DEALS	26	29	14	9	4	2	-	84

### Aggregate Dollars Raised per Region 4Q08 v. 1Q09

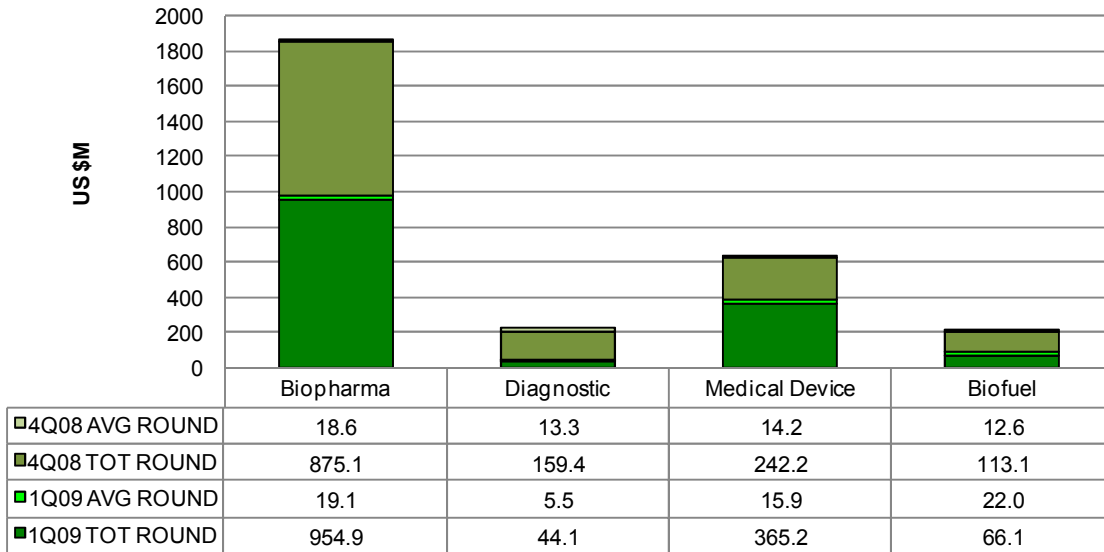


### Total Financings per Region 4Q08 v. 1Q09

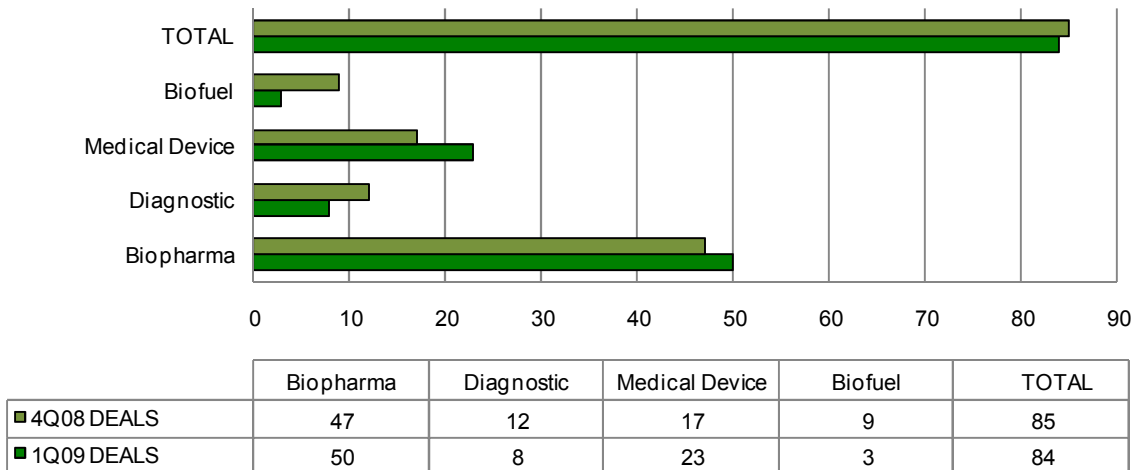


	Ex-US, ROW	Mid Atlantic	Mid West	North East	North West	Rocky Mtn.	South East	South West	West	TOTAL
4Q08 DEALS	19	3	10	22	1	4	5	1	20	85
1Q09 DEALS	20	1	4	24	2	4	3	-	26	84

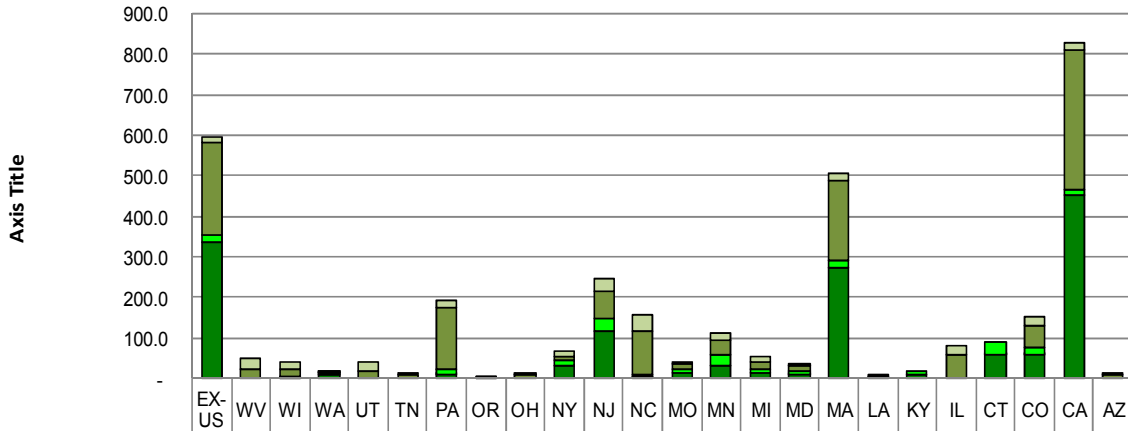
### Aggregate Dollars Raised per Sector 4Q08 v. 1Q09



### Total Financings per Region 4Q08 v. 1Q09

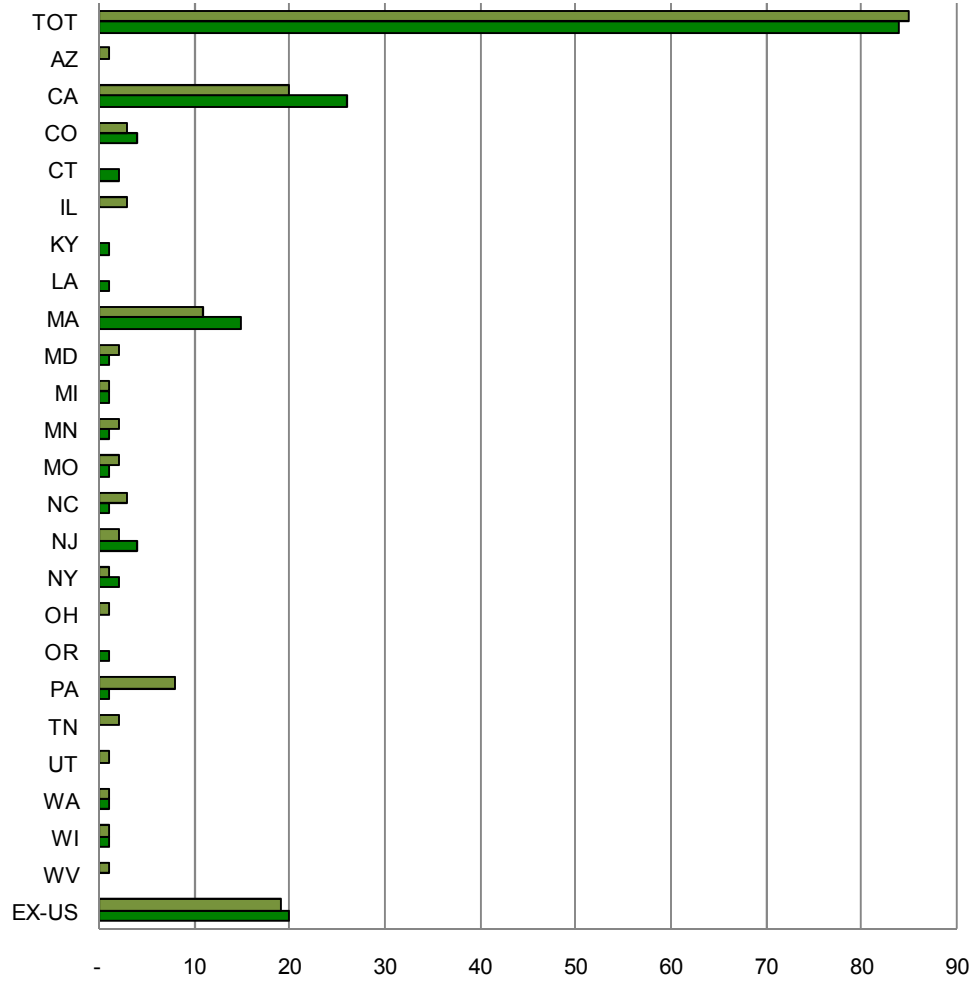


Aggregate Dollars Raised per State  
4Q08 v. 1Q09



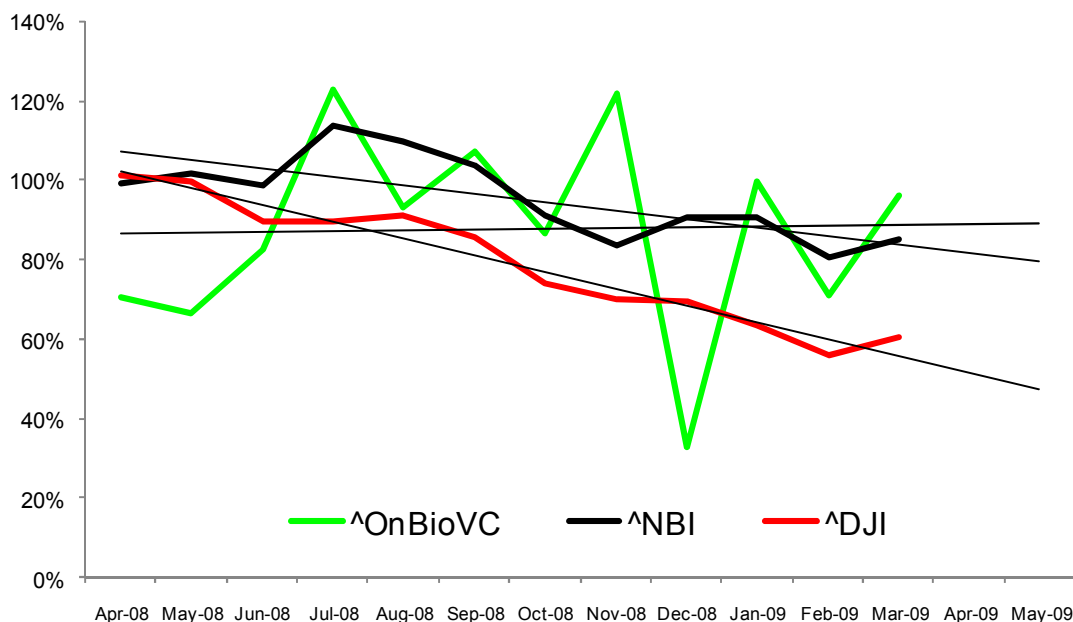
	EX-US	WV	WI	WA	UT	TN	PA	OR	OH	NY	NJ	NC	MO	MN	MI	MD	MA	LA	KY	IL	CT	CO	CA	AZ
4Q08 AVG ROUND	12.	24.	18.	2.6	20.	5.1	19.	-	6.9	9.6	34.	36.	5.0	17.	15.	5.2	18.	-	-	19.	-	18.	17.	7.5
4Q08 TOT ROUND	230	24.	18.	2.6	20.	10.	153	-	6.9	9.6	68.	110	10.	35.	15.	10.	198	-	-	58.	-	56.	344	7.5
1Q09 AVG ROUND	16.	-	2.9	7.0	-	-	10.	3.0	-	15.	29.	4.0	11.	30.	12.	10.	18.	5.0	9.0	-	30.	15.	17.	-
1Q09 TOT ROUND	336	-	2.9	7.0	-	-	10.	3.0	-	30.	116	4.0	11.	30.	12.	10.	271	5.0	9.0	-	60.	60.	450	-

**Total Financings per State  
4Q08 v. 1Q09**



	EX - US	WV	WI	WA	UT	TN	PA	OR	OH	NY	NJ	NC	MO	MN	MI	MD	MA	LA	KY	IL	CT	CO	CA	AZ	TOT
■ 4Q08 DEALS	19	1	1	1	1	2	8	-	1	1	2	3	2	2	1	2	11	-	-	3	-	3	20	1	85
■ 1Q09 DEALS	20	-	1	1	-	-	1	1	-	2	4	1	1	1	1	1	15	1	1	-	2	4	26	-	84

## ONBIOVC-INDEX™ vs. NASDAQ Biotech Index vs. Dow Jones Industrial Average



## Comparing Apples to Bowling-balls:

The OnBioVC-Index™ tracks private bioscience venture investment activity on a relative basis and benchmarks this activity versus the performance of the public markets by charting against the Nasdaq Biotech Index and the broader Dow Jones Industrial Average.

For the month of March 2009, bioscience venture investment activity as tracked by the OnBioVC-Index™ out-performed both the rebounding Nasdaq Biotech Index on a relative basis by approximately 120bps and the resurging broader market DJIA Index by approximately 360bps.

Without a doubt this market requires as cast-iron stomach but where there is volatility often opportunity lay not far behind. For example, did you know that the March rebound provided the third-best March in S&P 500 history, this came on the heels of worst-ever February which followed the worst-ever January. Got Pepto-Bismol? If that's not enough, the third month of 2009 produced the best 13 trading day returns (23.1%) since 1938, and certainly you'll love to hear that the best-performing member of the S&P 500 for March was American International Group, yep...AIG was up 138%, from \$0.42 to \$1.00. Hold on tight, more turbulence in sight.

Data Sources: 1) Indicium Data 2) S&P Index Services 3) S&P Outlook Intelligence

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companies in the Rocky Mountain  
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From cutting-edge lab facilities to advanced technical support systems, everything at the Colorado Science + Technology Park at Fitzsimons is designed specifically for the life science industry - turnkey solutions are currently available. It's a place where the best and brightest will come together to take ideas from the bench to bedside; a place where creativity and collaboration reach critical mass.

Forest City Science + Technology Group is a division of Forest City Enterprises, a national real estate development firm founded more than 80 years ago and traded on the New York Stock Exchange. Forest City creates award-winning communities for people to live, work, and play.

The Science + Technology Group, recognized as one of the country's premiere developers of life science campuses, has a completed portfolio of over two million square feet and more than 5 million square feet of wet-lab and office space under development in several major US life science markets including Boston, Philadelphia, Baltimore, Chicago, and Denver.

Forest City Science + Technology Group has the vision, practical experience, and the capabilities to design, build, lease, fit out, finance, operate, and meet the complex needs of each client - from early stage to mature organizations.



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**The BioScience Industry in Colorado**

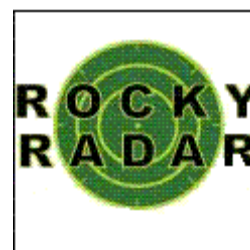
Colorado's bioscience industry is poised to become one of the most exciting and advanced clusters in the country. The State is currently home to a thriving industry, comprised of over 400 biotechnology, medical device, pharmaceutical, health care providers, research institutions and those businesses that provide critical services and products to bioscience companies.

**Opportunities for Growth in the Biosciences Industry**

The pipeline of new technologies and new companies emerging from Colorado's research institutions is strong; the number of Colorado bioscience related companies and their employees are growing faster than the national average. At the center of this exciting growth is the Colorado Bioscience Association (CBSA), shaping the policies and developing the programs to help Colorado's companies grow and prosper.

**Become a Part of this World Class Bioscience Cluster.  
Join the CBSA. For More Information Visit:  
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## ABOUT

### **OnBioVC provides timely coverage and comprehensive analysis of global bioscience venture capital investment activity.**

At OnBioVC a free and easy to search database is provided where information queries may be indexed by therapeutic, diagnostic and medical device company, technology, indication, financing-round, close date and geographic region. In addition to the web-based resource, regularly published OnBioVC Trend Analysis studies provide cumulative analytical color by month and quarter. All data aggregated at OnBioVC is also available for delivery to your inbox via a free email or RSS subscription.

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