ONBIOVC.com

3Q09
Trend Analysis

ABOUT

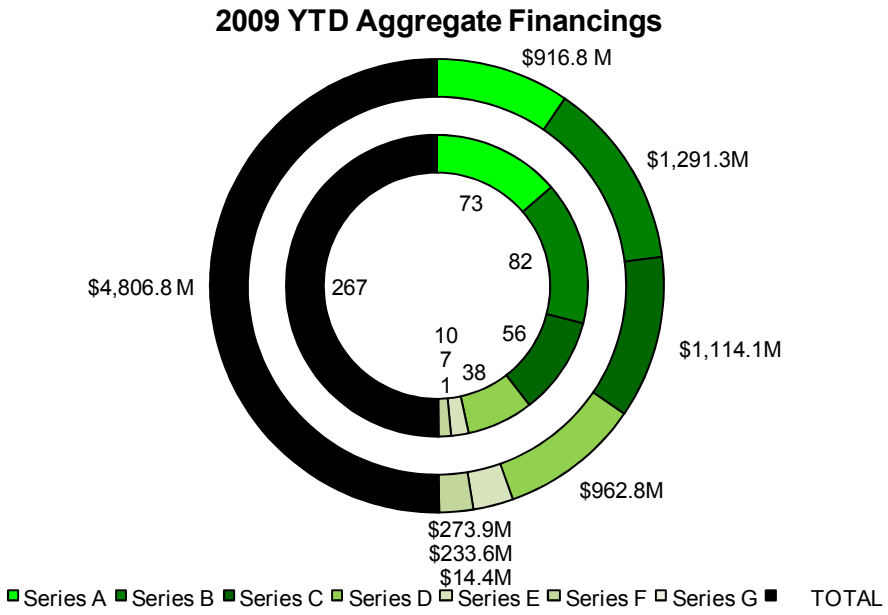
The OnBioVC Trend Analysis provides timely coverage and comprehensive analysis of global bioscience private and public capital investment activity.

This report parses out investment activity via the tracking of private bioscience company (including therapeutics, diagnostics, devices and biofuels) while drilling into biopharma venture investment over time and comparing to prior periods trends. Published quarterly, this report includes data for quarter-over-quarter and Year-to-Date periods. The deal data contained is sorted by aggregate dollars raised via round, region, State and sector and contains additional information on the indications and technologies receiving investment along with detail on the company who has closed their financing within focused time period.

ABSTRACT

The OnBioVC Trend Analysis tracked an observed quarter-over-quarter decline in the number of private biopharma financings completed as well as a correlated reduction on total capital raised. The private company finances for the quarter are examined not solely by the who and where but detail is provided on business model (i.e. the sector and indication pursued) and the intellectual property approach (i.e. the technology approach incorporated). In addition, clinical stage status is provided along with Chief Executive Officer leadership bios. A brisk pace of big pharma M&A continued to transpire throughout the quarter with double-digit deals inked north of $500M who totaled close to $28B. These public deals have highlighted the purchasing agreements and financial detail. Additional biopharma focus is on the what appears to be a healthy interest in new biopharma IPO issues, particularly those entities who have reached the market with their product. The Street appears to be welcoming those entities with regulatory approval in hand and cash flowing through the cash flow statement. Finally, a primer and status update in what is transpiring around the issues applicable to biosimilars.

SUMMARY

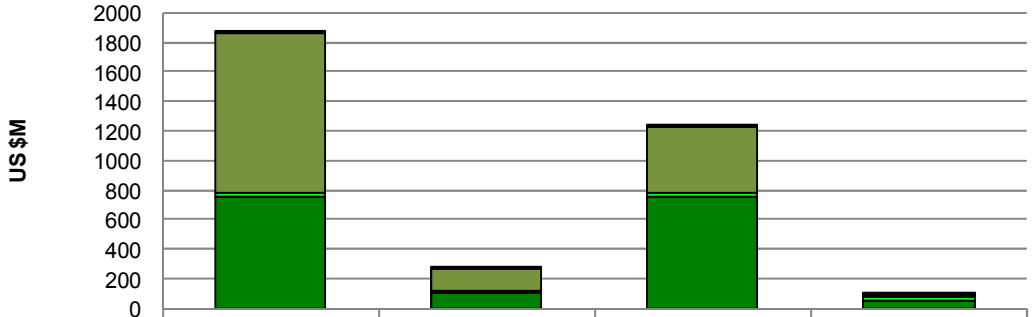


YTD Summary Overview

The OnBioVC 3Q09 Trend Analysis tracked in aggregate 267 Biopharma, Diagnostic, Medical Device and Biofuel venture financings completed YTD totaling $4.807M. The first nine month capital totals place 2009 at an estimated run rate of $6,409M; if this value holds than a variance of approximately ($1,550M) would be expected relative to the 2008 tracked total capital raise of $7,960M. The Medical Device sector saw a Quarter-over-Quarter increase in both the numbed of deals completed (21 in 3Q08 v. 43 in 3Q09) as well as total capital raised ($445.1M in 3Q08 v. $758.9M in 3Q09). In contrast to the Medical Device growth a pullback was observed for the Diagnostic sector where the number of financings remained flat (8 deals in 3Q08 and 3Q09) the total capital raised fell by over $50M ($151.1M in 3Q08 v. $98.6M in 3Q09).

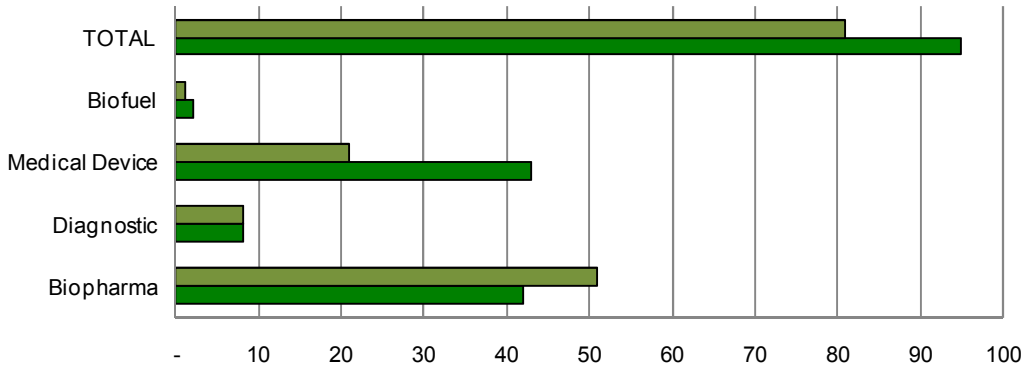
Quarter-over-Quarter there was a reduction in number of biopharma venture financings (51 in 3Q08 v. 43 in 3Q09) and similarly and not unexpectedly in total capital raised ($1,087M in 3Q08 v. $755.7M in 3Q09). An exploration of the technologies in development and indications pursued follows.

Aggregate Dollars Raised per Sector
3Q08 v. 3Q09



	Biopharma	Diagnostic	Medical Device	Biofuel
3Q08 AVG ROUND	21.3	18.8	21.2	13.0
3Q08 TOT ROUND	1,087	151	445	13
3Q09 AVG ROUND	18.0	12.3	17.6	24.9
3Q09 TOT ROUND	755.7	98.6	758.9	49.8

Total Financings per Sector
3Q08 v. 3Q09



	Biopharma	Diagnostic	Medical Device	Biofuel	TOTAL
3Q08 DEALS	51	8	21	1	81
3Q09 DEALS	42	8	43	2	95

COMPAY FOCI	# of Financings	% Total
Oncology	12	29%
Antiviral	5	12%
Anti-infective	4	10%
CNS	4	10%
Autoimmune	2	5%
Cardiovascular	2	5%
Ophthalmology	2	5%
Vaccines	2	5%
Bio-informatics	1	2%
Generics	1	2%
Homeostasis	1	2%
Inflammation	1	2%
Metabolic Bone Disease	1	2%
Orthopedic	1	2%
Pain	1	2%
Chemo-protector	1	2%
Vascular	1	2%
TOTAL	**42**	**100%**

Nearly one-third of all biopharma venture deals closed in 3Q09 were in the oncology space representing a diverse therapeutic approach; from small molecules targeting the inhibition of receptor tyrosine kinase to HDAC to metallo-enzymes to PI3K and mTOR, as well as a variety of mAb's and therapeutic vaccines. Boston, MA-based Glouster Pharmaceuticals closed a $29M Series D financing on just ahead of receiving FDA approval for Istodax® (romidepsin) for the treatment of cutaneous T-cell lymphoma (CTCL) in patients who have received at least one prior systemic therapy. The oncology product is expected to be available in January 2010. Romidepsin is a member of a HDAC class of drugs. Though not confirmed the guesstimate for use-of-proceeds is to build an internal US commercial enterprise as CTCL afflicts approximately 1,500 people in the US per year.

COMPANY	INDICATION	TECHNOLOGY	SECTOR	CLINICAL STAGE	CEO
3-V Biosciences	Respiratory Illness	siRNA	Antiviral	Pre-clinical	**John Curnutte, MD., Ph.D.** PREVIOUSLY: President at Schering-Plough Biopharma (DNAX Research Institute); Sr. Dir Discovery Research at Genentech
Acetylon Pharma	Multiple Myeloma	Small Molecule; HDAC6 Inhibitor	Oncology	Pre-clinical	**Walter Ogier** PREVIOUSLY: CEO at Arbios Systems, CEO at Genetix Pharmaceuticals, CEO at Eligix, VP marketing at Aastrom Biosciences
Adamas Pharma	Influenza	Small Molecule; Combo-therapy	Antiviral	Phase II vs. Oseltamivir	**Gregory Went, Ph.D.** PREVIOUSLY: co-founded CuraGen Corporation
Akebia Therapeutics	Anemia	Small Moecule; HIF-PH Inhibitor	Vascular	Phase I First in man	**Joseph Gardner, Ph.D.** PREVIOUSLY: Various Positions at Procter & Gamble Pharmaceuticals
Alimera Sciences	Diabetic Macular Edema	Intravitreal insert to deliver fluoci-nolone acetonide to the retina	Ophthal	Phase III vs. laser coagulation	**Dan Myers** PREVIOUSLY: President at Novartis Ophthalmics (CIBA Vision Ophthalmics)
Allostera Pharma	Psoriatic arthritis	Allostermamer; IL23 Inhibitor	Autoimmune	Pre-clinical	**Mark Kaufmann** PREVIOUSLY: CEO at Celmed BioSciences; COO at Celmed; VP Corp Dev at Nexia; CFO at Conceptis Technologies Bio-technologies
Alvine Pharmaceuticals	Celiac Disease	Protease EP-B2, PEP Combo-therapy	Autoimmune/ GI	Phase II vs. Placebo	**Abhay Joshi, Ph.D.** PREVIOUSLY: EVP, CTO at Actelion (CoTherix); VP Global Technical Operations, Specialty Pharmaceuticals at Allergan
arGen-X	Not Identified	Camelid Antibody	Oncology	Pre-clinical	**Abhay Joshi, Ph.D.** PREVIOUSLY: Senior Biz Dev Manager at Ablynx; Various Positions at Procter & Gamble Pharmaceuticals
Arginetix	PAH & Asthma	Small Molecule; Arginase Inhibitor	CV	Pre-clinical	**Gary Lessing** PREVIOUSLY: EVP and CFO at Avalon Pharmaceuticals; Managing Director Health Care IB Group at Deutsche Bank Alex Brown.
aTyr Pharma	Not Identified	Resectins of hu Aminoacyl tRNA Synthetase	Inflammation	Pre-clinical	**Jeffry Watkins, Ph.D.** PREVIOUSLY: CSO at Applied Molecular Evolution

Avila Therapeutics	Hepatitis C	NS3 Protease Inhibitor	Antiviral	Pre-clinical	**Katrine Bosley** PREVIOUSLY: VP Biz Dev and VP Strategic Ops at Adnexus; Various Positions at Biogen Idec; Various Positions at Highland Capital Partners
Celladon	Heart Failure	SERCA2a Gene Replacement Therapy	CV	Phase II vs. Placebo	**Krisztina Zsebo, Ph.D.** PREVIOUSLY: Venture Partner at Enterprise Partners Venture Capital, Various Positions at Remedyne, Connetics, ALZA, Cell Genesys, and Amgen
Cerulean Pharma	Ovarian, NSCLC, Pancreatic & Solid Tumor	Delivery: Cyclo-dextrin-based camptothecin nanoparticle	Oncology	Phase I First in man	**Oliver Fetzer, Ph.D.** PREVIOUSLY: Senior VP Corp Dev and R&D at Cubist Pharmaceuticals.
Chimerix	CMV	Phospholipid Intramembrane Microfluidization Conjugate	Antiviral	Phase II vs. Placebo	**George Painter, Ph.D.** PREVIOUSLY: EVP R&D at Triangle Pharmaceuticals; Dir Chemistry and Virology at Burroughs Wellcome
Cognition Therapeutics	Alzheimer's	Small Molecule: Oligmer Inhibitor	CNS	Pre-clinical	**Franz Hefti, Ph.D.** PREVIOUSLY: EVP Drug Dev at Rinat Neuroscience; Sr VP Neuro at Merck; Director Neuro at Genentech
Constellation Pharma	Not Identified	Small Molecule: HDAC Inhibitor	Oncology	Pre-clinical	**Mark Goldsmith, MD, Ph.D.** PREVIOUSLY: EIR at Prospect Venture Partners; CEO at Cogentus Pharma; SVP at Genencor
Curemark	Autism	GI/pancreatic secretory enzyme replacement	CNS	Phase III vs. Placebo	**Joan Fallon, DC** PREVIOUSLY: Not identified
DNAnexus	DNA Sequence Analysis	DNA Sequence Computation	Informatics	Development Stage	**Unidentified Founders**
Enobia Pharma	Hypo-phosphatasia	Large Molecule: TNSALP Enzyme Replacement	Metabolic Bone Disease	Phase II vs. Placebo	**Robert Half, Ph.D.** PREVIOUSLY: VP Product Dev at BioMarin; President at IBEX Technologies; R&D Dir at Continental Pharma Cryosan
Gloucester Pharma	Cutaneous T-cell lymphoma	Small Molecule: HDAC Inhibitor	Oncology	Commercialized	**Alan Colowick, MD, MPH** PREVIOUSLY: President Oncology at Geron; CMO at Threshold Pharmaceuticals; Various Positions at Amgen

Helicon Therapeutics	Alzheimer's	Small Molecule: PDE4 Antagonist	CNS	Phase II vs. Placebo	**Kenneth Johns** PREVIOUSLY: CEO at Dart Neuroscience
Intellikine	Not Identified	Small Molecule: PI3K/Akt/mTOR Inhibitors	Oncology	Pre-clinical	**Troy Wilson, Ph.D., JD** PREVIOUSLY: CBO at Ambrx; Co-founder at Wildcat Discovery Technologies; VP Biz Dev and GC at Novartis
Jennerex	Hepatocellular Carcinoma	GM-CSF Encoded Vaccina Virus	Oncology	Phase II vs. Placebo	**David Kirn, MD** PREVIOUSLY: Consultant at InterMune, Biogen, GenVec, Cell Gensys, Novartis & Pfizer; VP at Onyx Pharmaceuticals
Juvaris Biotherapeutics*	Influenza	Cationic-Lipid DNA Complex Adjuvanted Vax's	Vaccines	Phase II vs. Placebo	**Grant Pickering** PREVIOUSLY: CEO at Pharmada; SVP Ops at Dendreon; VP Biz Dev at Algos Pharmaceutical
Kolltan Pharmaceuticals	Not Identified	mAb & Small Molecule: Receptor Tyrosine Kinase Inhibitors	Oncology	Pre-clinical	**Michael Schmertzler** PREVIOUSLY: Co-head of Private Equity at Credit Suisse First Boston; President at Morgan Stanley Private Equity
Limerick Biopharma	Organ Toxicity	Cellular Transporter Pump Activators	Pain	Phase I First in man	**Wendye Robbins, MD** PREVIOUSLY: President & CMO at NeurogesX
Liquidia Technologies	Influenza	Vax Delivery: Pattern Replication In Non-wetting Templates	Vaccines	Pre-clinical	**Neal Fowler** PREVIOUSLY: President at Centocor; President at Ortho-McNeil Neurologics
NanoBio	Herpes Labialis, Onychomycosis	Platform: Nano-emulsion adjuvant	Anti-infective	Phase II vs. Placebo	**James Baker Jr., MD** PREVIOUSLY: Chair Nanotechnology for Medicine and Biology at NIH
NewLink Genetics	Pancreatic, NSCLC	THx Vax: αGal Adjuvant	Oncology	Phase II Chemo combo	**James Baker Jr., MD** PREVIOUSLY: Chair Nanotechnology for Medicine and Biology study at NIH
Novacta Biosystems	C.difficile	Lantibiotics	Anti-infective	Pre-clinical	**Tony Sedgwick, Ph.D.** PREVIOUSLY: CEO at DanioLabs; CEO at Cambridge Biotechnology

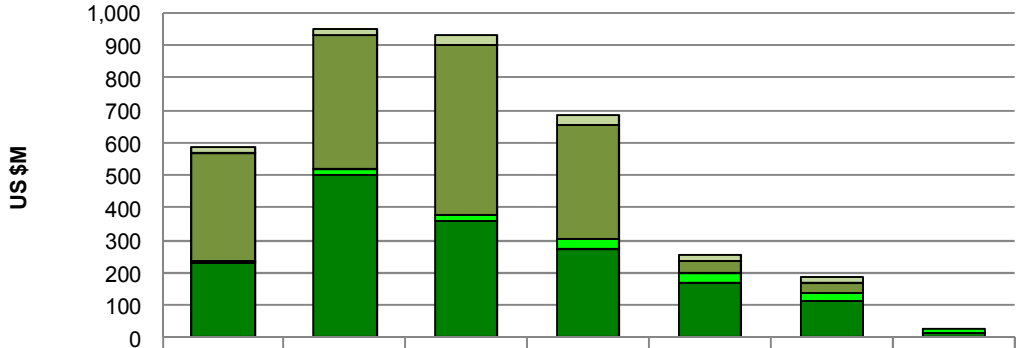
Novast Pharma	Not Identified	Not Identified	Generics	Not Identified	**Guohua Zhang, Ph.D.** PREVIOUSLY: Not Identified
Oraya Therapeutics	Wet AMD	Stereotactic radiosurgical delivery of low-energy X-rays	Ophthal-	Phase II vs. Placebo	**Jim Taylor** PREVIOUSLY: CEO at Carl Zeiss Meditec; CEO at Coherent Medical; CEO at Ohmeda Medical Systems
Presidio Pharma	HIV & HCV	Nucleoside reverse transcriptase inhibitor	Anti-infective	Pre-clinical	**Omar Haffar, Ph.D.** PREVIOUSLY: CEO at International Therapeutics; VP Infectious Diseases at Cytokine Networks; Sr Investigator at
PharmAbcine	Not Identified	mAb against VegFR-2, DIG & PIG	Oncology	Phase II vs. Not disclosed	**Not Identified**
ProCertus Biopharma	Alopecia	Aminothiol radioprotectors	Radio- and chemo-protector	Phase I First in man	**Paul Weiss** PREVIOUSLY: Managing Dir at Venture Investors; President at Gala Biotech; VP Biz Dev at 3-Dimensional Pharmaceuti-cals
Profectus BioSciences*	HIV & HCV	THx Vax: IL-12 Adjuvant and Vesicular Stomatitis Virus Vector	Antiviral	Pre-clinical	**Shawn Patrick O'Brien** PREVIOUSLY: CEO at Solstice Neurosciences; VP Commercial Ops at AstraZeneca
ProFibrix	Tissue Sealant	Recombinant fibrinogen and thrombin combo	Homeostasis	Phase II vs. Not disclosed	**Jaap Koopman, Ph.D.** PREVIOUSLY: Scientific Dir and Project Manager at Pharming Group
Quantum Immunologics	Breast	THx Vax: On-coFetal Antigen/ iLRP	Oncology	Phase I First in man	**Charles Broes** PREVIOUSLY: Not Identified
Seaside Therapeutics	Fragile X Syndrome & Autism	Small Molecule; mGluR Inhibitor	CNS	Phase II vs. No control	**Randal Carpenter, MD** PREVIOUSLY: CEO at Sention; VP Clinical Research at Adolor; Dir Clinical Research at Astra
Small Bone Innovations	Diabetic Foot Ulceration & Ankle Arthritis	Replacement Therapy	Orthopedic	Commercialized	**Anthony Viscogliosi** PREVIOUSLY: Founder at Ascent Healthcare; Founder at Orthopedic Investment Part-ners; VP at Stifel Nicolaus; Dir

Union Springs Pharma	Wound Cleanser	Buffered solution of HOCl and OCl^-	Anti-infective	Commercialized	**Joel Ivers** PREVIOUSLY: CEO at Hilltop Research; CTO at Computer Task Group; VP Marketing at Diversa; VP Marketing at Stratagene
Viament Pharma	Not Identified	Small Molecule: Metallo-enzyme (various) inhibitor	Oncology	Pre-clinical	**Rob Schotzinger, MD, Ph.D.** PREVIOUSLY: CEO at BioStratum; Various Positions at Abbott Labs

For 3Q09 biopharma investment dollars dropped some 30%, from $1,087 in 3Q08 to $755M in 3Q09. The most recent quarter saw deals concentrated in mid-stage entities. Series B deals lead the way accounting for nearly $231M in capital raised with Series C deals close behind accounting for approximately $217M. The average size rounds for the B and C classes were virtually the same give or take approximately 500K. Interestingly 7 of the 12 B financings are yet to reach the clinic and the same applies to 4 of the 11 C financings.

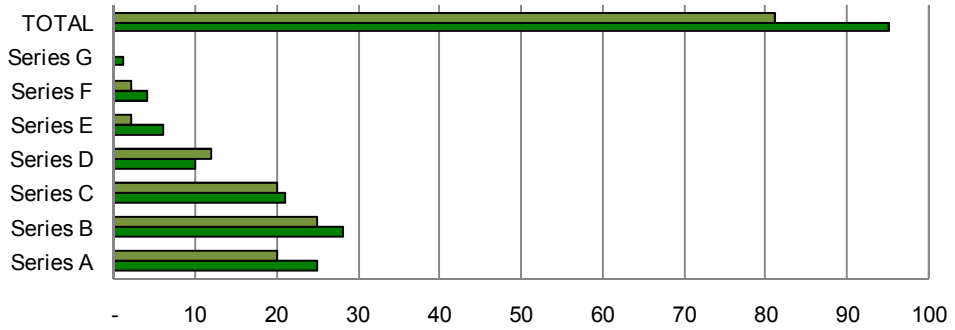
The largest Series B financing was completed by La Jolla, CA-based Intellikine, who is focused on the discovery and development of novel, small molecule therapies targeting the PI3K/mTOR. Intellikine has discovered multiple proprietary compounds that selectively target isoforms of the PI3K pathway. The company's most advanced compound, INK128, a potent and selective TORC1/2 inhibitor is scheduled to enter Phase I clinical evaluation within 12 months. Intellikine is developing PI3K-delta/gamma dual selective inhibitors for the treatment of cancer, inflammatory and respiratory diseases and PI3K-alpha/beta selective inhibitors for the treatment of solid tumor malignancies. The Company raised $51M of which the first closing accounted for $28.5M with access to an additional $22.5M subject to the achievement of a variety of predetermined milestones. Intellikine closed a $12.5M Series A financing in 2007.

Aggregate Dollars Raised per Round
3Q08 v. 3Q09



	Series A	Series B	Series C	Series D	Series E	Series F	Series G
3Q08 AVG ROUND	16.6	16.5	26.3	29.5	19.0	16.5	-
3Q08 TOT ROUND	331	413	527	354	38	33	-
3Q09 AVG ROUND	9.1	17.9	17.2	27.5	28.6	27.7	14.4
3Q09 TOT ROUND	228	503	360	275	172	111	14

Total Financings per Round
3Q08 v. 3Q09



	Series A	Series B	Series C	Series D	Series E	Series F	Series G	TOTAL
3Q08 DEALS	20	25	20	12	2	2	-	81
3Q09 DEALS	25	28	21	10	6	4	1	95

3Q08 saw total biopharma financings out pace 3Q09 by a total of 9 (51 in 3Q08 v. 42 in 3Q09). The most recent quarter saw number of deals pale not simply in aggregate but took a back seat too in all four of the most common financing rounds (A-D).

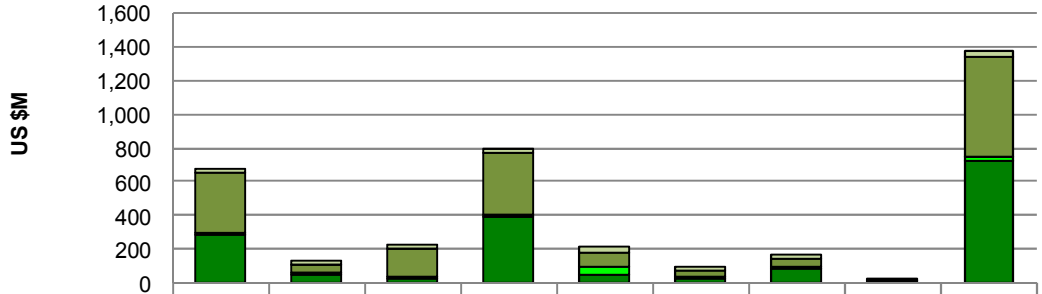
The two late-stage deals completed in 3Q09 include a $16M Series E financing by clinical-stage Research Triangle, NC-based Chimerix who is focused on antiviral therapeutics that leverag a lipid technology enabling the development of drug candidates with oral availability or topical applications with a potential increased potency and targeted delivery. These enhanced pharmaceutical properties may be applied to new drug moieties or known drugs to potentially improve dosing parameters, broaden therapeutic applications and decrease the risk of adverse events. The Company's lead compound, CMX001, has shown promise as a broad-spectrum antiviral drug and is currently being developed as a biodefense agent for the treatment of smallpox and complications associated with smallpox vaccination, as well as cytomegalovirus and BK virus. Chimerix's pipeline includes an anti-HIV drug, CMX157, in late-stage preclinical studies. Chimerix is also advancing programs in hepatitis C, respiratory syncytial virus and influenza. The second late-stage deal was a $50M Series F financing closed by clinical stage San Diego-based Helicon Therapeutics who is focused on the development of a small molecule PDE4 antagonist for Alzheimer's.

ONBIOVC.com

3Q09 **TREND ANALYSIS**

COMPANY	ROUND	RAISE ($M)	REGION	STATE	WEBSITE
3-V Biosciences	B	30.0	West	CA	http://www.3vbio.com
Acetylon Pharmaceuticals	A	7.2	North East	MA	N/A
Adamas Pharmaceuticals	D	40.0	West	CA	http://www.adamaspharma.com
Akebia Therapeutics	A	16.0	Mid West	OH	http://www.akebia.com
Alimera Sciences	C	5.0	South East	GA	http://www.alimerasciences.com
Allostera Pharma	C	15.4	International	EX	http://www.allostera.com/
Alvine Pharmaceuticals	A	21.5	West	CA	http://www.alvinepharma.com
arGen-X	A	13.8	International	EX	http://www.argen-x.com
Arginetix	B	4.6	Mid Atlantic	MD	http://www.arginetix.com
aTyr Pharma	C	12.0	West	CA	http://www.atyrpharma.com
Avila Therapeutics	B	30.0	North East	MA	http://www.avilatx.com
Celladon	C	21.8	West	CA	http://www.celladon.net
Cerulean Pharma	B	10.0	North East	MA	http://ceruleanrx.com
Chimerix	E	16.0	South East	NC	http://www.chimerix-inc.com
Cognition Therapeutics	A	1.2	North East	PA	http://www.cogrx.com
Constellation Pharma	A	17.2	North East	MA	http://constellationpharma.com
Curemark	A	6.5	North East	NY	http://www.curemark.com/
DNAnexus	A	1.5	West	CA	http://www.dnanexus.com
Enobia Pharma	C	50.0	International	EX	http://www.enobia.com
Gloucester Pharma	D	29.0	North East	MA	http://gloucesterpharma.com
Helicon Therapeutics	F	50.0	West	CA	http://heliconttherapeutics.com
Intellikine	B	51.0	West	CA	http://www.intellikine.com
Jennerex Biotherapeutics	C	5.1	West	CA	http://www.jennerex.com
Juvaris Biotherapeutics*	B	12.5	West	CA	http://www.juvaris.com
Kolltan Pharmaceuticals	A	5.0	North East	CT	http://www.kolltan.com
Limerick Biopharma	C	15.0	West	CA	http://www.limerickbio.com
Liquidia Technologies	C	7.0	South East	NC	http://www.liquidia.com
NanoBio	B	10.0	North East	MA	http://www.nanobio.com
NewLink Genetics	D	7.5	Mid West	IA	http://www.linkp.com
Novacta Biosystems	B	21.6	International	EX	http://www.novactabio.com
Novast Pharmaceuticals	C	25.0	International	EX	http://www.novast.com
Oraya Therapeutics	C	42.0	West	CA	http://www.orayainc.com
PharmAbcine	A	6.0	International	EX	http://www.pharmabcine.com
Presidio Pharmaceuticals	B	27.0	West	CA	http://www.presidiopharma.com
ProCertus Biopharma	A	2.1	Mid West	WI	http://www.procertus.com
Profectus BioSciences*	C	19.0	Mid Atlantic	MD	http://profectusbiosciences.com
ProFibrix	B	11.0	International	EX	http://www.profibrix.com
Quantum Immunologics	A	2.2	South East	FL	http://quantumimmunologics.com
Seaside Therapeutics	A	30.0	North East	MA	http://seasidetherapeutics.com
Small Bone Innovations	D	35.0	North East	PA	http://www.totalsmallbone.com
Union Springs Pharma	B	5.0	South East	KY	http://clynsbrands.com
Viament Pharmaceuticals	B	18.0	South East	NC	http://www.viamet.com
		$ 755.7			

Aggregate Dollars Raised per Region
3Q08 v. 3Q09

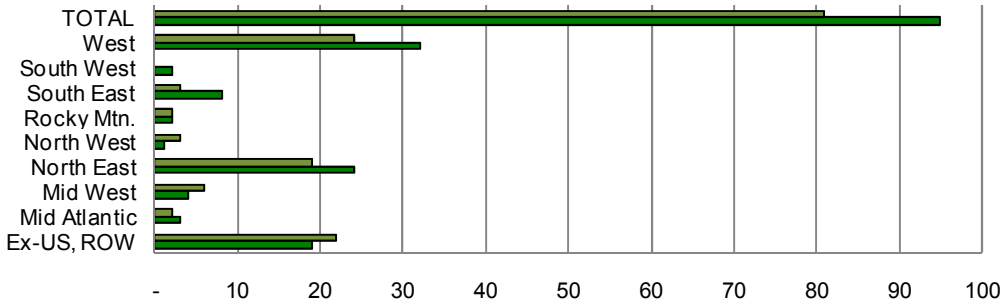


	Ex-US, ROW	Mid Atlantic	Mid West	North East	North West	Rocky Mtn.	South East	South West	West
3Q08 AVG ROUND	16.2	25.3	27.5	19.2	28.3	18.0	15.3	-	24.7
3Q08 TOT ROUND	356	51	165	365	85	36	46	-	594
3Q09 AVG ROUND	15.0	14.5	7.4	16.4	50.0	12.3	11.3	8.8	22.8
3Q09 TOT ROUND	286	44	30	393	50	25	90	18	729

Without any surprise the West region for 3Q09 continues its dominance in attracting bioscience capital investment. With California serving as home to not one but two centers of intellectual property innovation and creation, in San Francisco and San Diego, as well as home to the fund concentration found on Silicon Valley's Sand Hill Road or on Market St. in the Gaslamp; there is something to be said when a founder may be able to hold a Board of Director meeting less than an hour away from the home office of their venture investors. No magic or secret sauce is required to build a bio cluster, when the people, IP and money overlap good things will emerge. Similarly the concentration of intellectual capital and venture capital converge in the North East in Boston and Cambridge. Thus the North East and West continue to lead in number of deals as total capital attracted.

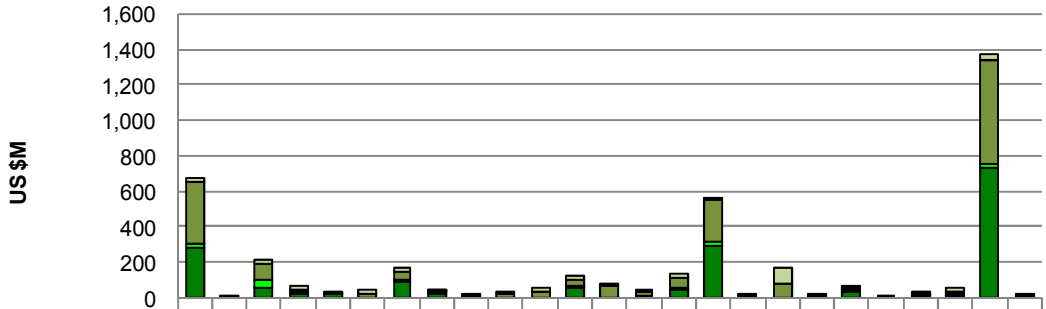
What is interesting to track are the dollars raised in the second tier regions (i.e. EX-West & North East). The International EX-US region led the way for this second group in 3Q09. Only 7 deals accounted for the total $142.8M and as such represented not only a diverse geographic group (UK, The Netherlands, Israel, South Korea, India, France and Switzerland) but too a diverse group of entities focused on metabolic bone disease, to oncology, anti-infectives, autoimmune disease and vascular disorders.

Total Financings per Region
3Q08 v. 3Q09



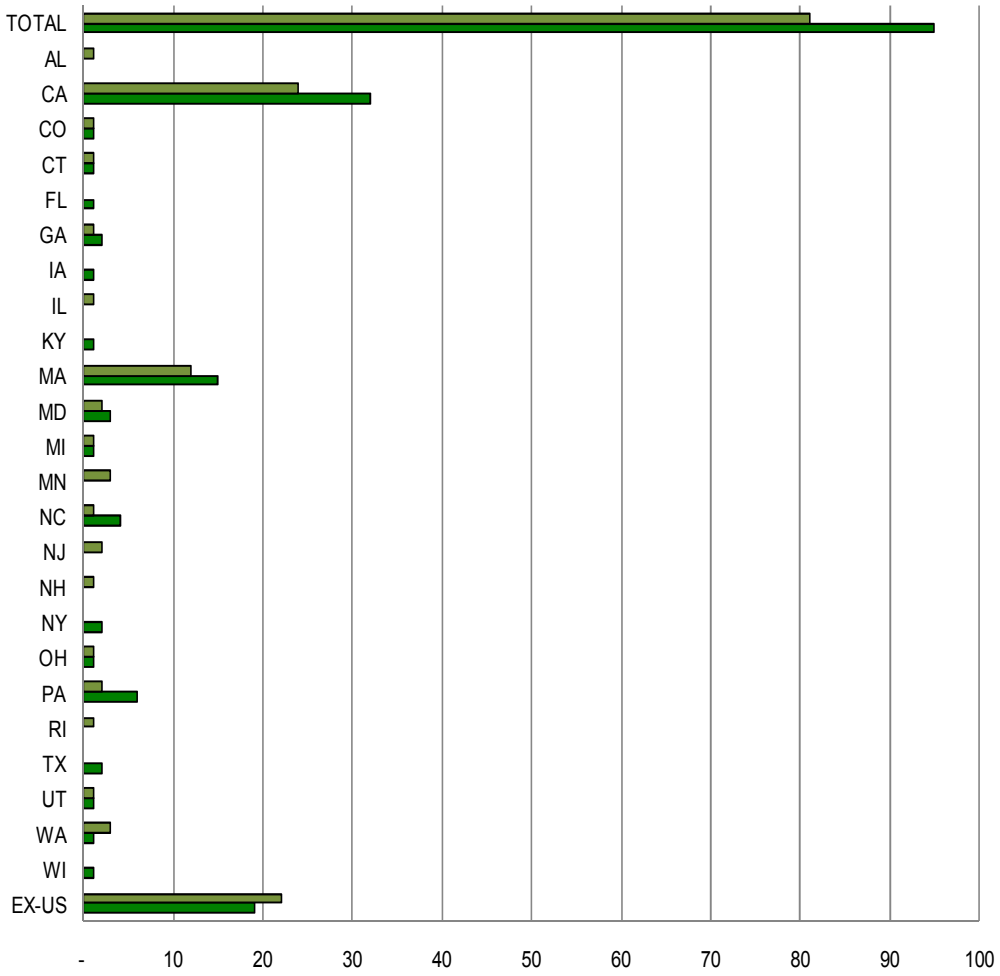
	Ex-US, ROW	Mid Atlantic	Mid West	North East	North West	Rocky Mtn.	South East	South West	West	TOTAL
3Q08 DEALS	22	2	6	19	3	2	3	-	24	81
3Q09 DEALS	19	3	4	24	1	2	8	2	32	95

Aggregate Dollars Raised per State
3Q08 v. 3Q09



	EX-US	WI	WA	UT	TX	RI	PA	OH	NY	NH	NJ	NC	MN	MI	MD	MA	KY	IL	IA	GA	FL	CT	CO	CA	AL
3Q08 AVG ROUND	16	-	28	14	-	20	21	1.	-	18	17	25	20	19	25	19	-	83	-	9.	-	12	21	24	12
3Q08 TOT ROUND	35	-	85	14	-	20	43	1.	-	18	34	25	61	19	51	237	-	83	-	9	-	12	22	594	12
3Q09 AVG ROUND	15	2.	50	16	8.	-	14	16	6.	-	-	14	-	4.	14	19	5.	-	7.5	14	2.2	5	8.1	23	-
3Q09 TOT ROUND	28	2.	50	16	17	-	84	16	13	-	-	56	-	4.	43	28	5.	-	7.5	27	2.2	5	8.1	729	-

Total Financings per State
3Q08 v. 3Q09



	EX-US	WI	WA	UT	TX	RI	PA	OH	NY	NH	NJ	NC	MN	MI	MD	MA	KY	IL	IA	GA	FL	CT	CO	CA	AL	TOTAL
3Q08 DEALS	22	-	3	1	-	1	2	1	-	1	2	1	3	1	2	12	-	1	-	1	-	1	1	24	1	81
3Q09 DEALS	19	1	1	1	2	-	6	1	2	-	-	4	-	1	3	15	1	-	1	2	1	1	1	32	-	95

IPO Watch

The public life science markets have been en fuego through 3Q09 as defined by the performance of the NASDAQ Biotech Index, this growth has in part functioned to aid in the calculated and methodical thawing of the bio IPO market. What appears to be transpiring is that commercial stage entities that are revenue generating, not necessarily cash flow positive, seem to be well positioned for a reception on Wall St. Those therapeutic enterprises who are intending to IPO are best suited if their clinical program is deep into Phase III or more favorably are those with a submitted IND and possible PDUFA date. The general sentiment is that the Street will not be rewarding who are far off from the market.

Last month Nashville, TN-based Cumberland Pharmaceuticals (NASDAQ: CPIX) went public raising $85M @ $17 per share and was essentially the first IPO in about two years sans the Bristol-Meyers Squibb (NASDAQ: BMY) spin-off of the Mead Johnson Nutrition (NYSE: MJN) unit. Since its debut Cumberland has more or less maintained its strength and avoided a major sell-off, at last check it is trading at $15.40. And just last week Cumberland launched their fever and pain drug Caldolor®, an injectable form of ibuprofen intended for patients who are hospitalized and cannot take oral drugs.

Now with Cumberland a public entity and certainly enjoying the time, effort and expense of remaining a public going-concern here comes the flood of filings behind them. Well OK, perhaps just a trickle, but the trickle may be the preface to the flood.

Filing paperwork with the SEC is the Seattle-based biotech Omeros, a clinical-stage company whose most advanced product candidate is OMS103HP, designed to improve postoperative joint function and reduce pain following arthroscopic anterior cruciate ligament reconstruction surgery. Currently in Phase III an NDA filing is expected to be submitted to FDA in 2H10. The planned offering would be underwritten by Deutsche Bank Securities, Wedbush Pacific Growth Life Sciences, Leerink Swann, and Needham & Company, according to the filing.

Talecris Biotherapeutics (NASDAQ: TLCR) made a thunderous debut with its Initial Public Offering on the Nasdaq, offering 50,000,000 shares at $19 and raising $950M in the process. The third life science offering of the year powered through the remainder of its opening day, ringing the closing bell at $21.15, or a market cap of ~$1.06B.

According to the Biopharma Investment Review IPO Watch List the three companies to get out this year have raised in aggregate ~$1.85B, what is of particular interest is how

IPO Watch (*cont'd.*)

they have responded once up and trading by at the very least maintaining or bettering their opening valuation.

What is of particular interest in the case of Talecris is the story behind the story – or more specifically, the early investors who were handsomely rewarded by the street on opening day. Just to put this tale into context Talecris is a robust entity, 2008 financials indicate revenue of $1.4B and a net income of $66M and thus account for the makings of a completely legitimate offering from a (potential) going-concern perspective. Back in 2005 private equity (then) behemoth Cerberus Capital Management and Ampersand Ventures acquired from Bayer (XETRA: BAY.DE) their Talecris (then NPS Biotherapeutics) franchise for $590M, as part of a reorg effort. In the interim Cerberus placed some massive bets on Chrylser, who filed for bankruptcy protection and GMAC, who found themselves in need of a government bailout to the tune of $5B. Needless to say Cerberus was taking their lumps and the limited partners were clamoring for a return of their capital therefore, a liquidity opportunity for Talecris was paramount; the first shot came via a planned IPO circa 2007 but as the public markets then turned to ice the filing was killed; strike one. The next effort came back in August of 2008 when a potential monster $3.1B deal for Talecris was placed on the table by Australian blood plasma company CSL, this deal however fell apart primarily due to antitrust concerns. So then in 3Q09 third-times-a-charm and Talecris finally gets out, in a still challenging environment.

What does this IPO mean to Cerberus? Well, various sources have reported that the fund owned 74% of Talecris prior to the IPO and retained approximately 38% post IPO, based on day 1's closing price that values their piece of the action in the ballpark of $400M but don't feel too bad for Cerberus as it appears as though over $800M in Talecris dividends were distributed in 2005-06. So all in maybe a return of $1.2B, call it maybe 2.5-3X. It is being widely reported that Cerberus was all in for less than $100M and therefore returns of 20-25X are being touted – we can't quite get our heads wrapped around that math and the distributions from a percent ownership perspective. If you know better, and that is probably most folks, will you please provide some insight?

Anthera Pharmaceuticals has also been added to the Biopharma Investment Review IPO Watch List. Hayward, CA-based Anthera Pharmaceuticals is a privately-held company committed to developing and commercializing clinical pharmaceutical products that address unmet medical needs of patients with life-threatening, chronic and acute inflammatory diseases and autoimmune disorders. The Company has acquired from Eli Lilly (NYSE: LLY) and Shionogi & Co. worldwide rights (excluding Japan) to a series of

IPO Watch (*cont'd.*)

clinical and pre-clinical compounds that inhibit the enzymatic activity of members of the phospholipase family – a group of enzymes responsible for the release of arachidonic acid and subsequent production of leukotrienes, prostacyclins and other mediators of inflammation. These highly potent compounds inhibit novel, upstream steps in the inflammation cascade and have the potential to address a variety of diseases.

M&A Watch

DATE	ACQUIRER	VALUE ($M)	TARGET	SECTOR
AUG	Warner Chilcott	$ 3,100	Proctor & Gamble Pharma	Pharma
JUL	Sanofi-aventis	$ 4,000	Merial	Animal Health
JUL	GlaxoSmithKline	$ 3,600	Stiefel Laboratories	Dermatology
JUL	Bristol-Myers Squibb	$ 2,400	Medarex	Biopharma
JUL	Agilent Technologies	$ 1,500	Varian	Oncology Devices
JUL	Johnson & Johnson	$ 1,385	Elan Corporation	Alzheimer's
SEP	Abbott Laboratories	$ 6,600	Solvay Pharmaceuticals	Biopharma
SEP	Dainippon Sumitomo Pharma	$ 2,600	Sepracor	Specialty pharma
SEP	Danaher Corporation	$ 1,100	MDS	Analytic Techs
SEP	LEO Pharma	$ 1,000	Warner Chilcott	Dermatology
SEP	Alcon Laboratories	$ 589	ESBATech	Antibodies
TOTAL		**$ 27,874**		

In 3Q09 11 M&A deals were struck whose value was greater than or equal to half-a-billion dollars. I total nearly $28B was spent on this 90 day shopping spree. In the following pages are additional details of each individual deal, e.g. purchasing agreement, financing commitments, etc.

Warner Chilcott $ 3,100M Proctor & Gamble Pharma

On August 24, 2009, Warner Chilcott plc and The Procter & Gamble Company entered into a definitive purchase agreement pursuant to which Warner Chilcott will acquire the worldwide prescription pharmaceutical business of P&G for $3.1 billion in cash, subject to possible adjustment as described below.

The transaction has been approved by the respective boards of directors of Warner Chilcott and P&G, and the transaction is expected to close in the fourth quarter of 2009. Closing is subject to regulatory approvals, the receipt of proceeds of the financing for the transaction, the delivery of audited financial statements for the Pharmaceuticals Business and other customary conditions. If the Purchase Agreement is terminated by either party because the transaction has not closed on or prior to December 31, 2009, and all of the conditions to closing (other than the financing condition and the conditions to P&G's obligations to close) have been satisfied or waived on or prior to the date of such termination, then Warner Chilcott must pay P&G a termination fee. The termination fee is the sole and exclusive remedy of P&G against Warner Chilcott with respect to the failure to close for a financing failure. As described more fully in Article II of the Purchase Agreement,

M&A Watch (*cont'd.*)

Warner Chilcott $ 3,100M Proctor & Gamble Pharma

the purchase price is subject to possible adjustment based on (i) closing working capital of the Pharmaceutical Business and (ii) certain payments due after closing under a collaboration agreement of the Pharmaceuticals Business with respect to pre-closing periods. In addition, if the closing occurs after October 31, 2009, the purchase price will be reduced by an amount equal to the net cash flow for the business for the period from October 31, 2009 through the closing. Warner Chilcott and P&G have each made customary representations, warranties and covenants in the Purchase Agreement. These include, among other things, P&G's agreement to operate the Pharmaceuticals Business in the ordinary course of business until closing, Warner Chiclott's agreement to use its reasonable best efforts to obtain the proceeds of the financing and customary indemnification obligations. Warner Chilcott and P&G have agreed to enter into related transaction agreements at the closing, including a transition services agreement and a collaboration matters agreement. The foregoing description of the Purchase Agreement and the transactions contemplated thereby does not purport to be complete and is qualified in its entirety by reference to the Purchase Agreement.

On August 24, 2009, Warner Chilcott entered into a commitment letter pursuant to which (a) Bank of America, N.A., Credit Suisse, Barclays Bank PLC, Citibank, N.A., JPMorgan Chase Bank, N.A., Morgan Stanley Senior Funding, Inc. and certain of their respective affiliates have committed to provide senior secured credit facilities in an aggregate amount of $2.75 billion comprised of (i) $2.50 billion in aggregate term loan facilities and (ii) a $250.0 million revolving credit facility and (b) JPMorgan Chase Bank, N.A., Morgan Stanley Senior Funding, Inc., Banc of America Bridge LLC, Barclays Bank PLC, Citibank, N.A., Credit Suisse and certain of their respective affiliates have committed to provide a senior unsecured bridge facility in an aggregate amount of up to $1.4 billion. The commitment to provide the Credit Facilities is subject to various conditions, including the absence of a Closing Date Material Adverse Effect on the combined company, the negotiation of definitive documentation, minimum EBITDA (as defined) of the Pharmaceutical Business for the four most-recent fiscal quarters ended not less than 45 days prior to the Closing Date of $710 million, pro forma compliance with the financial covenants to be contained in such Credit Facilities and other customary closing conditions more fully set forth in the Commitment Letter.

M&A Watch (*cont'd.*)

Sanofi-Aventis $ 4,000M Merial

Sanofi-aventis and Merck & Co. announced that the companies have signed a definitive agreement under which Merck will sell its 50 percent interest in the companies' current animal health joint venture, Merial Limited (Merial), to Sanofi-aventis for $4 billion in cash. Formed in 1997, Merial is a leading animal health company that is a 50/50 joint venture between Merck and sanofi-aventis. Following the close of the transaction, sanofi-aventis will own 100 percent of Merial. Sanofi-aventis said the acquisition price values Merial on the basis of 3.0 x 2008 sales and 10.2 x 2008 earnings before interest and taxes (EBIT). The acquisition is expected to be accretive to Sanofi-aventis' adjusted net income from the first year. In addition to the Merial agreement, Merck, Sanofi-aventis and Schering-Plough announced the signing of a call option agreement. Under the terms of the call option agreement, following the closing of the Merck/Schering-Plough merger, Sanofi-aventis would have an option to combine the Intervet/Schering-Plough Animal Health business with Merial to form an animal health joint venture that would be owned equally by the new Merck and Sanofi-aventis.

The sale of Merck's interest in the Merial joint venture is subject to clearance by the European antitrust authorities. Merck said it anticipates completing the transaction before its planned merger with Schering-Plough is finalized, which is expected to occur during the fourth quarter of 2009.Following the close of Merck's merger with Schering-Plough, Sanofi-aventis would have an opportunity to conduct due diligence before any exercise of its call option to form the new joint venture. As part of the call option agreement, the value of Merial has been fixed at $8 billion (US). The minimum total value received by the new Merck and its affiliates by contributing Intervet/ Schering-Plough to the combined entity would be $9.25 billion (US), consisting of a floor valuation of Intervet/Schering-Plough of $8.5 billion (US) (subject to potential upward revision based on a valuation exercise by the two parties) and an additional payment of $750 million (US). Based on the valuation exercise of Intervet/Schering-Plough and customary transaction adjustments, if Merial and Intervet/Schering-Plough are combined, a true-up payment would be paid to establish a 50/50 joint venture with equal ownership between the new Merck and sanofi-aventis. Between September 30, 2009 and the closing of the merger between Merck and Schering-Plough, the agreements provide Merck with certain rights to terminate the option for a fee of $400 million or $600 million (US). The companies said Merial and Intervet/Schering-Plough Animal Health will continue to operate independently until the closing of any potential combination of Merial and Intervet/Schering-Plough Animal Health.

M&A Watch (*cont'd.*)

GlaxoSmithKline $ 3,600M Stiefel Laboratories

GlaxoSmithKline plc (GSK) and Stiefel Laboratories announced that they have signed an agreement to create a new world-leading specialist dermatology business. Under the terms of the agreement GSK will acquire the total share capital of Stiefel for a cash consideration of $2.9 billion. GSK also expects to assume $0.4 billion of net debt upon closing. A potential further $0.3 billion cash payment is contingent on future performance. GSK's existing prescription dermatological products will be combined with Stiefel's and the new specialist global business will operate under the Stiefel identity within the GSK Group.The new business will have a broad portfolio of dermatology products including Stiefel's leading brands: *Duac*, for acne, *Olux E* for dermatitis and *Soriatane* for the treatment of severe psoriasis. GSK's key dermatology brands include: *Bactroban, Cutivate* and recently launched *Altabax*.

Combined pro forma revenues for the calendar year ended 2008 were approximately $1.5 billion, representing an 8% share of the global prescription dermatology market. Sales of Stiefel's products for the calendar year ended 2008 were approximately $900 million. Sales of GSK's prescription dermatology products were approximately $550 million. The new business will have a robust development pipeline, with Stiefel currently having more than 15 projects in late-stage development across a wide variety of dermatological conditions, such as acne, dermatoses and fungal infection. The new business also has access to significant innovative and proprietary formulation technologies.

Cost synergies for the new business are expected primarily from combining manufacturing and administrative functions. The companies expect to deliver annual pre-tax cost savings of up to $240 million by 2012 with integration costs of approximately $325 million over the next 3 years. These integration costs will be reported within the middle column of GSK's income statement together with other ongoing major restructuring costs. Excluding integration costs, the transaction is expected to result in minor earnings per share (EPS) dilution for GSK in 2009 (less than 1%) and to be 1-2% accretive to EPS in 2010. The transaction has been approved by the Stiefel stockholders. Closing of the transaction is conditional upon certain matters including receiving certain regulatory clearances and no material adverse change occurring in respect of Stiefel's business prior to closing. The transaction is expected to close in the third quarter of 2009.

M&A Watch (*cont'd.*)

Bristol-Myers Squibb $ 2,400M Medarex

Bristol-Myers Squibb Company and Medarex, announced that the companies have signed a definitive merger agreement providing for the acquisition of Medarex by Bristol-Myers Squibb, for $16.00 per share in cash. The transaction, with an aggregate purchase price of approximately $2.4 billion, has been unanimously approved by the boards of directors of both companies. Medarex's projected $300 million in net cash and marketable securities at closing would be an asset acquired by Bristol-Myers Squibb resulting in an implied purchase price of approximately $2.1 billion.

Bristol-Myers Squibb gains the following as a result of the acquisition:

Medarex's UltiMAb Human Antibody Development System®, which produces high affinity, fully human antibodies for use in a broad range of therapeutic areas, including immunology and oncology. This validated technology platform has produced compounds which are now currently marketed therapies (SIMPONI™, STELARA™ and ILARIS®).

Medarex's next-generation Antibody-Drug Conjugate (ADC) technology, which is a novel and proprietary platform that could open new fields in oncology drug development.

Rights to seven antibodies in clinical trials under Medarex's sole sponsorship and three other antibodies being co-developed with other partners.

Rights to pre-clinical assets in various stages of development by Medarex -- in particular, monoclonal antibodies focused in oncology and immunology.

Full ownership and rights to ipilimumab, which, if approved, could be an important contributor to Bristol-Myers Squibb's future growth. The companies have collaborated on the development of ipilimumab, a novel immunotherapy currently in Phase III development for the treatment of metastatic melanoma. The companies also have an ongoing Phase II study in lung cancer as well as Phase III studies in adjuvant melanoma and hormone-refractory prostate cancer.

Royalties based on percentage of sales for SIMPONI™, STELARA™ and ILARIS®.

Under the terms of the definitive merger agreement, Bristol-Myers Squibb will commence a cash tender offer on or about July 27, 2009 to purchase all of the outstanding shares of

M&A Watch (*cont'd.*)

Bristol-Myers Squibb $ 2,400M Medarex

a cash tender offer on or about July 27, 2009 to purchase all of the outstanding shares of Medarex common stock for $16.00 per share in cash. The closing of the tender offer is subject to customary terms and conditions, including the tender of a number of shares that, together with the number of shares already owned by Bristol-Myers Squibb, constitutes at least a majority of Medarex's outstanding shares of common stock (on a fully diluted basis) and expiration or termination of the waiting period under the Hart Scott Rodino Antitrust Improvement Act. The agreement also provides for the parties to effect, subject to customary conditions, a merger to be completed following the completion of the tender offer which would result in all shares not tendered in the tender offer being converted into the right to received $16.00 per share in cash. The merger agreement contains a provision under which Medarex has agreed not to solicit any competing offers for the company. Bristol-Myers Squibb will finance the acquisition from its existing cash resources. The companies expect the tender offer to close in approximately thirty (30) days after commencement of the tender offer.

M&A Watch (*cont'd.*)

Agilent Technologies $ 1,500 Varian

Agilent Technologies and Varian announced that they have signed a definitive agreement for the acquisition by Agilent of Varian, a leading worldwide supplier of scientific instrumentation and associated consumables for life science and applied market applications. Agilent will pay $52 cash per share of common stock for Varian in a transaction that represents a premium of approximately 35% to Varian's closing price on July 24, 2009. Both Agilent's and Varian's Board of Directors have unanimously approved the all-cash offer.

The acquisition broadens Agilent's applications and solutions offerings in Life Sciences, Environmental, and Energy and Materials. It also expands Agilent's product portfolio into atomic and molecular spectroscopy; establishes a leading position in NMR, imaging and vacuum technologies; and strengthens its consumables portfolio.

Once the acquisition has been completed, Adrian Dillon, Agilent's executive vice president and chief financial officer, will assume responsibility for combining Varian with Agilent's Bio-Analytical Measurement segment consistent with Agilent's operating model. The transaction is expected to generate $75 million in annual cost synergies and achieve Agilent's 20% return on invested capital (ROIC) target within four to five years. The transaction is subject to approval by the shareholders of Varian and will be completed after achieving customary closing conditions and regulatory approvals, which Agilent expects before calendar year-end. The transaction is not subject to any financing conditions.

M&A Watch (*cont'd.*)

Johnson & Johnson $ 1,385M Elan Corporation

Johnson & Johnson and Elan announced that JANSSEN Alzheimer Immunotherapy, a newly formed subsidiary of Johnson & Johnson, has completed the acquisition of substantially all of the assets and rights of Elan related to its Alzheimer's Immunotherapy Program (AIP). In addition, Johnson & Johnson, through its affiliate, Janssen Pharmaceutical, has invested $885 million in exchange for newly issued American Depositary Receipts of Elan, representing 18.4% of Elan's outstanding ordinary shares.

The AIP represented Elan's interest in a collaboration with Wyeth Pharmaceuticals to research, develop and commercialize selective products for the treatment and/or prevention of neurodegenerative conditions, including Alzheimer's Disease.

JANSSEN Alzheimer Immunotherapy will now assume Elan's activities with Wyeth under the AIP and continue development activities for bapineuzumab, a potential first-in-class treatment being evaluated for slowing the progression of Alzheimer's Disease.

The AIP includes multiple compounds being evaluated for slowing the progression of Alzheimer's Disease. The lead compound (bapineuzumab), administered intravenously once every three months, is currently in Phase 3 clinical trials. A subcutaneous formulation, administered once a week, is currently in Phase 2 trials. In addition, a vaccine for Alzheimer's Disease (ACC-001) is also in Phase 2 trials.

JANSSEN Alzheimer Immunotherapy is researching, developing and commercializing selective products for the treatment and/or prevention of Alzheimer's Disease. This includes bapineuzumab, a potential first-in-class treatment that is being evaluated for slowing the progression of Alzheimer's Disease. JANSSEN Alzheimer Immunotherapy will strive to provide innovative, high quality, safe and effective treatments and continually seek new opportunities to offer solutions for unmet health care needs. JANSSEN Alzheimer Immunotherapy is based in Dublin and has R&D facilities in South San Francisco.

JANSSEN Alzheimer Immunotherapy is a subsidiary of Johnson & Johnson.

M&A Watch (*cont'd.*)

Abbott Laboratories $ 6,600M Solvay Pharmaceuticals

Abbott announced a definitive agreement with the Solvay Group for Abbott to acquire Solvay's pharmaceuticals business for EUR 4.5 billion ($6.6 billion) in cash, providing Abbott with a large and complementary portfolio of pharmaceutical products and a significant presence in key global emerging markets. The acquisition also includes full global rights to the fenofibrate franchise. Currently Abbott has U.S. rights to fenofibrate and pays royalties to Solvay.

Belgium-based Solvay Pharmaceuticals will add more than $3 billion in annual sales, the majority outside the U.S. Solvay has significant presence and infrastructure in key high-growth emerging markets, including Eastern Europe and Asia. Emerging markets are growing faster and increasing in importance due to demographics, rising incomes and expanded treatment of chronic disease.

The acquisition will also add approximately $500 million to Abbott's annual pharmaceutical R&D investment, providing Abbott with the opportunity to further accelerate near and long-term pharmaceutical growth.

Solvay's pharmaceutical portfolio complements Abbott's presence and expertise in specialty markets such as cardiovascular disease, neuroscience and gastroenterology. Solvay has treatments for Parkinson's disease, Ménière's disease (abnormality of the inner ear), vertigo, and irritable bowel syndrome. Solvay also offers products to treat men's and women's hormonal health, and exocrine pancreatic insufficiency (inability to properly digest food), which is associated with several underlying conditions including cystic fibrosis and chronic pancreatitis.

The acquisition also includes Solvay's vaccines business, which will provide Abbott entry into the expanding global vaccines market. Solvay has a small molecular diagnostics unit that will become part of Abbott's diagnostics organization upon the transaction close.

The transaction will be approximately $0.10 accretive to ongoing earnings per share in 2010, accelerating to more than $0.20 by 2012, increasing thereafter, all before one-time transaction-related items, which will be provided at a later date. These one-time transaction-related items are expected to occur between 2010 and 2012. The transaction also includes payments of up to EUR 300 million if certain sales milestones are met between 2011 and 2013.

M&A Watch (*cont'd.*)

Dainippon Sumitomo Pharma $ 2,600M Sepracor

Dainippon Sumitomo Pharma agreed to acquire the specialty pharmaceutical company Sepracor for $2.6 billion. Sepracor had 2008 revenues of approximately $1.3 billion. Sepracor's currently marketed products in the United States include: Lunesta (eszopiclone) for treating insomnia in adults; Xopenex (levalbuterol hydrogen chloride) inhalation solution and Xopenex HFA (levalbuterol tartrate) for treating bronchospasm; Brovana (arformoterol tartrate) inhalation solution for treating bronchoconstriction in patients with chronic obstructive pulmonary disease; Omnaris (ciclesonide) nasal spray for treating allergic rhinitis; and Alvesco (ciclesonide) HFA inhalation aerosol for the maintenance treatment of asthma. In addition, Sepracor's commercial organization in the US, the company's wholly owned subsidiary Sepracor Pharmaceuticals, markets in Canada several additional products for treating cardiovascular issues, the central nervous system (CNS), pain, and infectious diseases.

DSP also is interested in using Sepracor's expertise to develop and commercialize lurasidone, DSP's internally developed drug candidate for treating schizophrenia, which is in Phase III clinical development, as well as other pipeline products. Some promising pipeline candidates from Sepracor include Stedesa (eslicarbazepine acetate) for treating epilepsy and other potential indications, Omnaris HFA, a nasal aerosol formulation of ciclesonide, and other early- and mid-stage CNS and respiratory assets.

Upon completion of the acquisition, Sepracor will become a wholly owned subsidiary of Dainippon Sumitomo Pharma America Holdings, a wholly owned US subsidiary of DSP, and will continue its operations in Marlborough, Massachusetts, and Canada. Sepracor will retain its name, branding, and intellectual-property rights and continue to operate as Sepracor. DSP will commence a tender offer no later than Sept. 15, 2009 to purchase all of the outstanding shares of Sepracor common stock for $23.00 per share in cash. The companies expect the tender offer to close in the fourth quarter of 2009.

DSP was formed from the 2005 merger of Sumitomo Pharmaceuticals and Dainippon Pharmaceuticals. DSP's pending acquisition of Sepracor is another example of recent acquisitions by Japanese pharmaceutical companies of drug companies outside of Japan. These deals include: Takeda Pharmaceutical's (Osaka, Japan) $8.8-billion acquisition of Millennium Pharmaceuticals in 2008; Eisai's $3.9-billion acquisition of MGI Pharma in 2008; and Daiichi Sankyo's (Tokyo) purchase of a controlling stake in Ranbaxy Laboratories (Gurgaon, Haryana, India) in 2008.

M&A Watch (*cont'd.*)

Danaher Corporation $ 1,100M MDS

Danaher Corporation announced that it has signed a definitive agreement with MDS to acquire the Analytical Technologies division of MDS, which includes a 50% ownership position in Applied Biosystems/MDS Sciex joint venture ("AB SCIEX"), a mass spectrometry business, and a 100% ownership position in the former Molecular Devices Corporation, a bioresearch and analytical instrumentation company. In a separate, but related transaction, Danaher also announced that it has signed a definitive agreement with Life Technologies Corporation to acquire the remaining 50% ownership position in AB SCIEX. After completion of both transactions, Danaher will own outright AB SCIEX and Molecular Devices. The aggregate purchase price for the combined transactions is $1.1 billion, including debt assumed and net of cash acquired.

AB SCIEX is a leading designer and manufacturer of mass spectrometers, highly sensitive and sophisticated instruments used by researchers and clinicians to identify and quantify specific molecules in complex samples. AB SCIEX sells into the research, applied and clinical markets. Typical applications include proteomics research, drug development, food and environmental safety testing and diagnostics testing. Customers include academic and research institutions, pharmaceutical development labs primarily supporting clinical trials, testing and reference labs and hospitals. Molecular Devices supplies high-performance bio-analytical instrumentation systems and consumables that accelerate and improve research productivity and effectiveness in life science research and drug discovery.

The acquired businesses will operate within Danaher's Medical Technologies segment, joining Danaher's Leica, Radiometer, Sybron, and KaVo businesses, and will expand the segment's annual revenues by more than $650 million. The acquired businesses will increase Danaher's life sciences and diagnostics annual revenues to more than $2 billion. Danaher's Medical Technologies brands are some of the most highly recognized in each of their respective product segments.

The transaction with MDS Inc. is subject to approval of the MDS shareholders. Both transactions are subject to regulatory approval and customary closing conditions, including the absence of material adverse change with respect to the acquired businesses. Danaher expects the transactions to close in the fourth quarter of 2009.

M&A Watch (*cont'd.*)

LEO Pharma $ 1,000M Warner Chilcott

Warner Chilcott and LEO Pharma announced today that, in exchange for a one-time cash payment of $1.0 billion to Warner Chilcott, LEO Pharma is re-acquiring Warner Chilcott's exclusive product licensing rights in the United States to its topical psoriasis treatments Taclonex(R), Taclonex Scalp(R), Dovonex(R) as well as rights to all products in LEO's development pipeline, and acquiring all inventories of the products.

Under the terms of the agreement, Warner Chilcott has agreed to continue distribution and promotion of Taclonex(R), Taclonex Scalp(R) and Dovonex(R) for LEO Pharma until December 31, 2009 and to perform certain transition services for LEO Pharma for up to one year.

The repurchase of the product rights and inventories for $1.0 billion, which is expected to close today, will result in a one-time gain for Warner Chilcott of approximately $450 million after-tax, or approximately $1.79 per share based on 251.3 million shares outstanding. Net cash proceeds, after taxes triggered by the gain, are expected to be approximately $980 million. Warner Chilcott is using a portion of the cash generated by the sale to repay and terminate its existing senior secured credit facilities ($480 million of which was outstanding on September 23, 2009). In addition, the proceeds will reduce the amount of financing necessary in connection with Warner Chilcott's pending acquisition of Procter & Gamble Pharmaceuticals.

M&A Watch (*cont'd.*)

Alcon Laboratories $ 589M ESBATech

Alcon announced that it has entered into a definitive agreement to acquire ESBATech AG, a Swiss biotechnology company. Alcon will pay ESBATech shareholders $150 million in cash at closing, plus contingent payments of up to $439 million based upon the achievement of future research and development milestones that would be expected to create value for Alcon. ESBATech is a clinical-stage biotechnology company that has been developing a pipeline of proprietary single-chain antibody fragment therapeutics for topical and local delivery for safe and convenient therapy.

ESBATech has advanced its antibody fragment technology to preclinical and clinical stages in the eye for various diseases. The company has several stable and soluble single-chain antibody fragments in development, with its most advanced product candidate progressed into Phase I and II studies relating to the treatment of inflammatory ocular diseases.

The agreement to acquire ESBATech includes all rights to its technology for therapeutic application to the eye, including age-related macular degeneration, diabetic macular edema, glaucoma, dry eye and uveitis. Substantially all of the employees of ESBATech will join Alcon upon the finalization of the acquisition. The rights to the technology and products for application outside of ophthalmology will be retained by the previous share-holders of ESBATech and spun off into a separate new company, Delenex Therapeutics AG.

As confirmation of the strategy to enhance the Alcon research platform, this biologics capability acquisition comes on the heels of Alcon's recent announcement of an agreement with AstraZeneca that pairs Alcon's ophthalmic research capability with AstraZeneca's rich drug libraries in a collaborative effort to treat eye diseases. The ESBATech acquisition expands Alcon's research capability outside of small molecules to the promising field of proteins, antibodies and other large molecules.

Upcoming PDUFA Dates

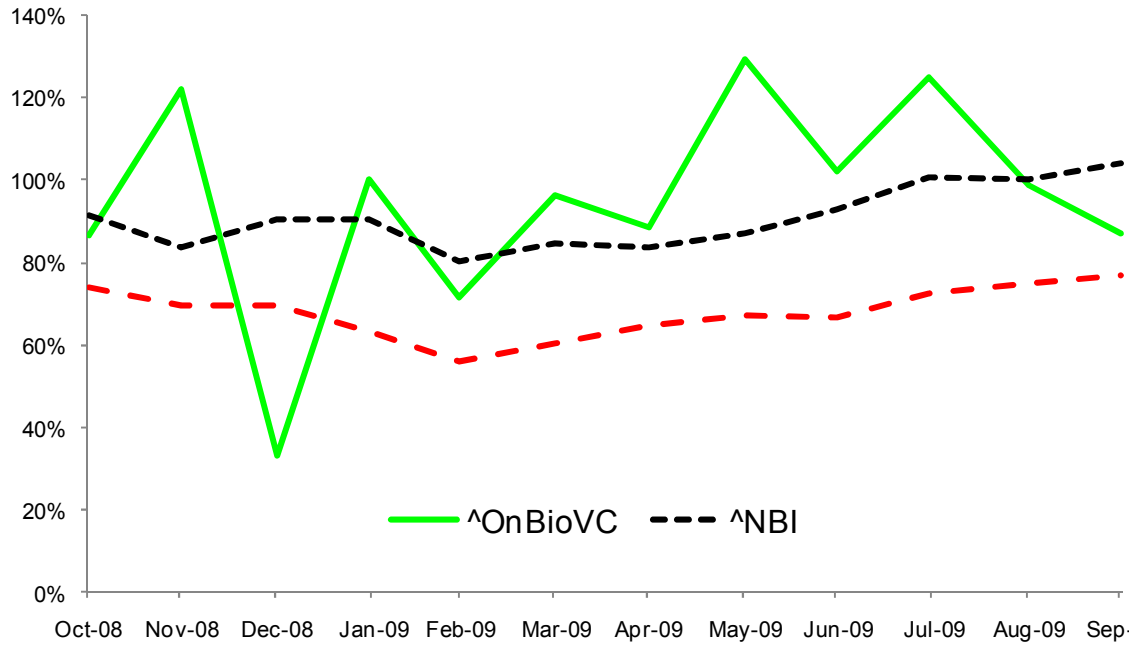
The Prescription Drug User Fee Act (PDUFA) program is the cornerstone of modern FDA drug review. User fees currently fund about half of new drug review costs. By providing needed funds, PDUFA ended slow and unpredictable review and approval of new drug applications, while keeping FDA's high standards.

The PDUFA date is the date by which the FDA will decide upon a filing for approval. It may be 6 months (Priority Review) from the date of NDA filing or 10 months from the date of the filing. This date is not publicly revealed by the FDA, rather it is a strategic decision by the filing entity whether or not to make public said date however, most companies do make the date public because it is considered to be material.

The following publicly released PDUFA dates are expected throughout 4Q09:

PDUFA Date	COMPANY	PRODUCT	INDICATION
10/22/2009	Acorda THX & Biogen IDEC	Fampridine	MS Therapies
10/30/2009	Transcept Pharmaceuticals	Intermezzo	Insomnia
10/30/2009	GTX Therapeutics	Toremifene	Bone fractures assoc with prostate cancer
11/12/2009	Gloucester Pharmaceuticals	Romidepsin	Cutaneous T-cell Lymphoma
11/14/2009	Genzyme	Lumizyme	Pompe disease
11/16/2009	NeurogesX	Qutenza	Pain management

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 September 2009, the pace of bioscience venture investment activity as tracked by the OnBioVC-Index™ continued its slide, as determined by aggregate dollars raised, certainly no acceleration out of the slower summer months is observed. The OnBioVC™ Index continued to underperform, on a relative basis, the surging Nasdaq Biotech Index by 170bps and, maintained a 100bps narrowing advantage over the similarly advancing Dow Jones Industrial Average.

Data Sources: 1) Indicium Data 2) S&P Index Services 3) BNET Pharma 4) Zack's 5) Yahoo! Finance 6) Fierce Pharma

PARTNERS

FREESTONE GROUP

Integrated Solutions for Emerging Life Science

Freestone provides outsourced business strategy, product development and commercial insight in the life science industry. Our focus is on delivering integrated solutions to address needs associated with building, growing and investing in early and emerging stage life science companies.

Engagements are geared toward increasing capacity in the development and execution of strategies, expansion or extension of operational depth and ultimately, contributing to accelerated milestone achievement and returns. A value-centric focus is utilized to align objectives and dissolve barriers to success.

Our insight and contributions rely on an appropriate foundation of research and analysis to develop and implement business plans. Deliverables provide solutions to business challenges across a range of needs from advisory projects to interim infrastructure support.

Freestone utilizes extensive operational experience to work with organizations to enhance strategies for growth and accelerate the realization of value.

For more information visit

http://TheFreestoneGroup.com

Integrated Solutions for Emerging Life Science

PARTNERS

THE CBSA ADVANTAGE

Colorado BioScience ASSOCIATION

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: www. CoBioScience.com

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.

For Advertising Inquiries Contact:

advertise@onbiovc.com
303.902.4413
www.**OnBioVC**.com