

A Unique Model

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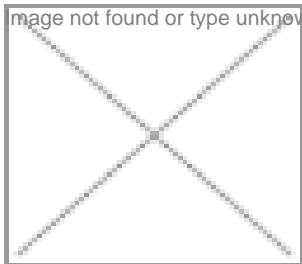


Isis Innovation

A Unique Model

This subsidiary of the University of Oxford since 1997 has spun out a new company every two months on an average, in recent years

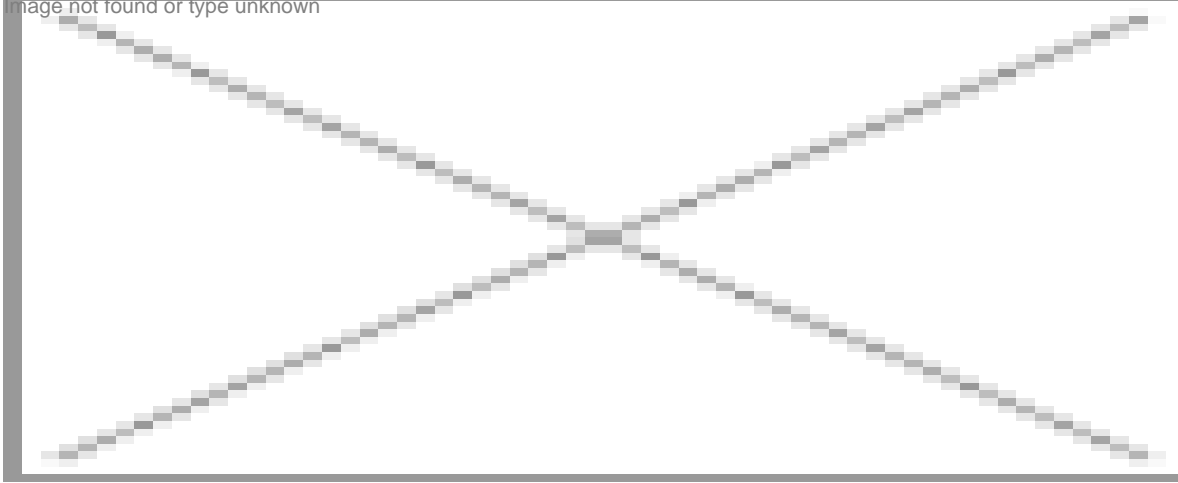
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Spinout of companies from the universities in the UK has been a very important activity. Cambridge and Oxford have been at the helm of things. Gone are the ivory tower images. In fact, University of Oxford has a very unique model. The University has a wholly-owned subsidiary, Isis Innovation Ltd. It is the technology transfer company of the University, commercializing the research generated by the University researchers and owned by the University. Explained Dr Tim Cook, managing director, Isis Innovation "Science research activity at Oxford comprises of 2,500 researchers in science and medicine, 2,000 doctoral students, and an annual research income of £219.2 million. The research income in medical sciences and life and environmental sciences is £83.2 million and £21.8 million, respectively, accounting for 56 percent and 15 percent of the total income. So we

have focused to help those researchers who wish to commercialize the results of their research. We are involved in licensing of intellectual property, formation of new companies, and offering consulting and service contracts."

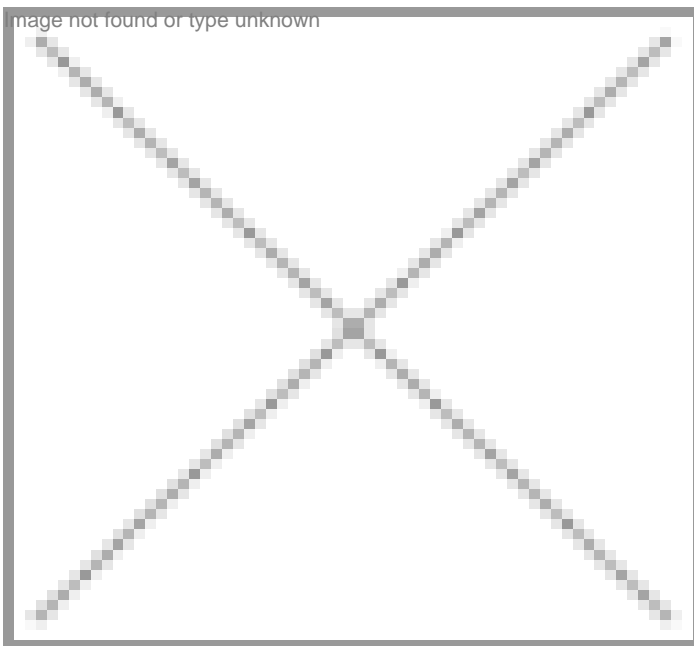
Isis was established in 1988 and since 1997 started a major expansion phase. The University assigns its intellectual property to Isis (where there are no pre-existing exploitation arrangements) and Isis then evaluates, protects, and



markets the

intellectual property. In 2002, Oxford University Consulting became part of Isis, matching business-consulting needs with University researchers. Added Cook, "Isis has an administration group, physical science group, lifescience group, and business innovation and consulting group. Except for the administration team, each group has a head of the group, project managers, business liaison managers, among others. What I would like to stress is that preconceptions are misconceptions. Project managers are the key people. They are the people, who do identify and provide the bridge. You must understand the ground reality that there has always existed a tension between the research community and the business community. And we have played as the intermediary role for helping them. All the research is patented from our center."

Isis provides researchers with commercial advice, funds patent applications and legal costs, and negotiates exploitation and spinout company agreements, and identifies and manages consultancy opportunities for University researchers. Isis works on projects from all areas of the University's research activities. It files, on an average, one patent application each week and manages over 350 patent application families. Isis seeks to license technologies to companies to develop and sell technology-based products. Licensees are sought from all technology and business sectors on an international basis.



Since 1997, it has assisted in either options or licenses signed on 160 projects. Some of which would generate over £1 million in royalties. Added Cook, "Revenue will be a long time coming, but the licensee takes over patent costs (£30,000 for the first five years, £50,000 for 10 years). Besides, there is royalty sharing amongst the researchers, general fund, department, and Isis." It also helps the researchers market their consultancy and services expertise.

It has helped in the formation of more than 30 University spinout companies. Pre 1997, there were 9-10 spinouts. "It was about a spinout every four years then, now it eight companies a year," informed Cook. The valuation of the spinouts in 2002 was £1,204 million. What has been the fund resource? "Isis has a patent budget of £1 million per annum and royalties. Then there is a University Challenge Seed Fund (UCSF) of £4 million and Isis College Fund of £10.7 million. Launched in 1999, the UCSF has been deployed into a total of 68 projects. The £4 million investment has resulted in equity stakes in 21 spinout companies, four completed licensing deals, and 35 active technology projects. Further, UCSF investees have been

supported by an additional £20.4 million invested by business angels and VCs," explained Cook.

So what's the success formula? Cook summed it: Management of the process. University entrepreneur culture, university technology transfer resource, and local professional environment, all three must develop together, but the university must lead the change.

Ch. Srinivas Rao at Oxford

Fisher Scientific International and Apogent Technologies to Combine in \$3.7 billion Transaction

Fisher Scientific International Inc. and Apogent Technologies have announced a definitive merger agreement to combine the two companies. This strategic combination significantly bolsters Fisher's proprietary-product portfolio and provides the company with a \$1.1 billion footprint in the high-growth life-science market.

Under the terms of the merger agreement, Apogent shareholders will receive tax-free 0.56 shares of Fisher Scientific's common stock for each share of Apogent common stock they own. The combined company would have pro forma 2004 full-year revenues of approximately \$5.1 billion and an enterprise value of approximately \$9 billion, including \$2.7 billion of net debt. The companies anticipate that the transaction will be completed early in the third quarter of the 2004 calendar year.

"This announcement represents a major strategic milestone for our company and will create a more integrated and efficient global supply network for our customers," said Paul M Montrone, chairman and chief executive officer of Fisher Scientific. "With Apogent Technologies, Fisher Scientific has further enhanced its position in the life-science, scientific-research and clinical-lab markets and created a stronger platform for growth. Joining forces with Apogent enables Fisher to create efficiencies for our customers and value for our shareholders."

The combination of Fisher Scientific and Apogent Technologies will result in several strategic benefits. Fisher's life-science footprint is expected to grow by more than 50 percent to \$1.1 billion as a result of this combination. Further Fisher's position in biopharma-production and diagnostic-reagents will get strengthened. On the financial front, Fisher Scientific expects to achieve approximately \$55 million of cost savings and other benefits in 2005. Fisher believes that the potential annual synergies could reach \$100 million on an annualized basis by the end of 2006. These synergies will come from, among other things, manufacturing rationalization and facility consolidations.

For 2004, Fisher expects revenue growth of approximately 27.5 percent to 29.5 percent, with approximately 14 points of this growth from its combination with Apogent. For 2005, Fisher expects revenue growth of approximately 19-21 percent, with 11.5 points of this growth from its combination with Apogent.

DRAXIS announces \$20 million financing

DRAXIS Health Inc. entered into an agreement with a syndicate of underwriters led by Desjardins Securities and including CIBC World Markets pursuant to which the underwriters have agreed to purchase, on a bought deal basis, 3,053,436 units of the company at a purchase price of C\$6.55 per unit, for aggregate gross proceeds of C\$20,000,000.

DRAXIS Health is a specialty pharmaceutical company involved in the development, production, marketing and distribution of therapeutic and diagnostic radiopharmaceuticals through DRAXIMAGE Inc. and in the provision of pharmaceutical contract manufacturing services, specializing in liquid and freeze-dried injectables and other sterile products.

Amgen to acquire Tularik for \$1.3 billionmgen Inc., the largest biotechnology company, signed a definitive merger agreement with Tularik, a pioneer in drug discovery related to cell signaling and the control of gene expression. Tularik Inc. will become a wholly-owned subsidiary of Amgen post the acquisition. Under the terms of the agreement, Amgen, in a tax-free transaction, will exchange Tularik common stock for Amgen common stock in a ratio that fixes Tularik's value at \$25 per share. The value of the transaction is expected to be approximately \$1.3 billion, net of estimated cash to be acquired and net of Amgen's existing ownership of Tularik of approximately 21 percent. The transaction is expected to close in the second half of 2004. Amgen expects that this transaction will represent an incremental increase of approximately \$100 million per year in Amgen's investment in R&D for the next several years. "Tularik's research engine is a rare asset and a great strategic fit. Tularik has a strong team of scientists who share our desire to develop important new therapeutics in inflammation, metabolic diseases and oncology. Amgen and Tularik have complementary chemistry expertise and compound libraries that together strengthen and broaden our discovery capabilities," said Roger M Perlmutter, MD, executive vice president, R&D, Amgen. QLT to acquire Kinetek QLT Inc., a global biopharmaceutical company dedicated to the discovery, development and commercialization of innovative therapies to treat eye diseases, cancer and dermatology-related conditions, will acquire Kinetek Pharmaceuticals Inc., a Vancouver-based privately-held biopharmaceutical company. Since June of 2001, QLT and Kinetek have collaborated on a research and early development program to develop signal transduction inhibitors for the treatment of eye, immune system and kidney diseases. Kinetek has a unique proprietary position on Integrin-linked kinase or ILK. Inhibition of the kinase activity of ILK has the potential of a broad range of clinical applications including cancer, inflammation, kidney, and eye diseases. In cancer, peer-reviewed published studies of small molecule ILK inhibitors

discovered by Kinetek have recently shown that they block tumor angiogenesis and cause tumor shrinkage in animal models.

Nucleonics raises \$40.9 million Nucleonics Inc., a biotechnology company focused on the development of RNA interference-based (RNAi) therapeutics, has raised \$40.9 million in a Series B private venture financing. The financing was led by New Enterprise Associates (NEA), and included major new investors HealthCap, Burrill & Company, Anthem Capital Management, and POSCO BioVentures Inc. Nucleonics' founding investor, SR One, Limited, was also a major participant in the round. "We expect this financing to support the development of our lead product candidate through Phase II clinical testing, as well as to further the development of our technology platform overall," said Robert Towarnicki, Nucleonics' president and chief executive officer. The company is currently developing applications of its expressed interfering RNA therapy for the treatment of chronic Hepatitis B (HBV) and Hepatitis C (HCV) viral infections and plans to file its first Investigational New Drug (IND) application in 2005.

EXIMIAS announces \$63.5 million placement EXIMIAS Pharmaceutical Corp., a privately held pharmaceutical company, announced the closing of a \$63.5 million private placement through a Series D financing led by Cross Atlantic Partners (New York) and co-led by Quaker BioVentures (Philadelphia). EXIMIAS focuses on the acquisition, development and commercialization of unique oncology and infectious disease products. The company has three novel, late-stage products, THYMITAQ and ORATAQ for oncology, and MACROTAC for oncology and infectious disease. The company has raised \$94 million in capital to date.

Salmedix completes \$45 million series c financing David S Kabakoff Salmedix Inc., a company developing promising oncology drugs, with an initial commercial focus on hematologic cancers, has completed the sale of \$45 million of its Series C Preferred Stock. HIG Ventures led the round. "We expect this investment to provide Salmedix with adequate capital to advance our three clinical-stage products, including our lead investigational drug, SDX-105, which is currently being evaluated in a Phase II/III clinical program with non-Hodgkin's lymphoma patients," said David S Kabakoff, chairman & CEO, Salmedix. In addition to SDX-105, Salmedix has two drugs in Phase II clinical development, as well as several preclinical product candidates. A multi-center, multi-national Phase Ib/II study in patients with chronic lymphocytic leukemia was recently completed with SDX-101, a "first-in-class" compound. SDX-102, a targeted therapy for molecularly defined tumors, is in a Phase II trial to investigate its potential as a treatment for non-small cell lung cancer, pancreatic cancer and sarcoma.

K&M raises \$33.5 million Jean Deleage K&M Inc. has raised \$33.5 million Series B Financing led by JPMorgan Partners. This closing brings K&M's cumulative financing to \$53 million. K&M discovers and develops new, oral small molecule medicines for well-validated, clinically significant targets. K&M applies proprietary chemistries and medicinal chemistry experience to two large and as yet underdeveloped classes of small molecule drug opportunities—alpha helix interactions and allosteric kinase inhibitors. These target classes include numerous potential drug discovery targets across major disease areas including inflammation, cancer, HIV, diabetes and bone diseases. K&M's first drug candidate, an allosteric kinase inhibitor for inflammation, is projected to begin human clinical trials early in 2005.

Alta Partners closes \$475 million in life sciences funds Alta Partners, one of the largest venture capital firms dedicated to life sciences, announced the closing of its latest funds, Alta BioPharma Partners III and ACP IV, with more than \$475 million in commitments. The new funds exceeded their target of \$400 million. The Alta funds will be invested exclusively in life sciences companies, ranging from start-ups to advanced clinical stage companies. With these closings, Alta Partners now manages seven venture funds aggregating approximately \$1.5 billion in committed capital. Since its founding in 1996, Alta has been one of the most active life sciences venture investors, funding over 90 companies. "These new funds strengthen Alta's commitment to these sectors, allowing our team to work with leading entrepreneurs toward development of the most important therapies and medical advances of tomorrow," stated Jean Deleage, managing director, Alta Partners.

Point Therapeutics to raise \$13.5 million Point Therapeutics, a Boston-based biopharmaceutical company developing small molecule drugs for the treatment of a variety of cancerous tumors and certain hematopoietic disorders, has received \$13.5 million in commitments from new and existing institutional investors for an equity private placement. Point will be selling 3,000,000 shares of its Common Stock at a price of \$4.50 per share. Point plans to use these funds for general corporate purposes including the clinical development costs for PT-100, the company's lead clinical compound. "I am extremely pleased to announce this transaction," said Don Kiepert, CEO and president of Point. "This financing will give us the capital support to aggressively pursue our ambitious Phase 2 clinical plans for PT-100."