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FOR IMMEDIATE RELEASE

Biotech posts strong performance in April

SAN FRANCISCO – May 3, 2011 – It was a good month for biotech with the Burrill Biotech Select Index rising 6.2 percent. In addition, the capital markets were able to shrug off the escalating price of oil and take comfort from stronger earnings reports from major companies in key industrial sectors. As a result, the April performance of the Dow Jones Industrial Average was positive, closing up 4 percent and the NASDAQ Composite Index mirrored the performance of the Dow, jumping 3.3 percent.

Propelling the Burrill Biotech Select Index was Biogen Idec with its stock jumping 33 percent following their news announcement about positive top-line results from the first of two pivotal phase 3 clinical trials designed to evaluate their investigational oral compound BG-12 (dimethyl fumarate) as a monotherapy in people with relapsing-remitting multiple sclerosis. Results showed that BG-12, administered either twice or three times a day, met the primary study endpoint. Biogen also reported that it had signed a collaboration with Amunix for next generation long-lasting blood factor products.

Vertex Pharmaceuticals chipped in with a 15 percent jump in its share value in April thanks to news that the Antiviral Drugs Advisory Committee to the FDA voted unanimously to recommend FDA approval of the company's telaprevir for people with genotype 1 chronic hepatitis C. "The race to bring new drugs to market to treat hepatitis C is heating with Merck getting an unanimous vote from the same FDA Advisory Committee to recommend approval for boceprevir its oral candidate hepatitis C drug. The final FDA decision for both telaprevir and boceprevir is expected in May," noted G. Steven Burrill, CEO, Burrill & Company.

Pharmasset is another company that investors are watching. Late last month, the company reported that its candidate hepatitis C drug PSI-7977, a nucleotide analog polymerase inhibitor, was effective when added to standard therapy in 98 percent of patients in a 121-person clinical trial. The news vaulted the company's shares 60 percent and that momentum carried over into April with its shares up a further 29 percent.

"In addition to the events surrounding the progress of potential blockbuster hepatitis C drugs, biotech provided a steady flow of news to keep investors engaged in April," Burrill added "Leading the headlines was the ongoing events resulting from Cephalon's rejection of the \$5.7 billion hostile bid by Valeant Pharmaceuticals. Their offer of \$73 per share undervalued the company's key assets, and prospects the Cephalon board said. Just as investors were digesting this information came the news that Teva Pharmaceuticals and Cephalon had reached a definitive agreement whereby Teva would acquire Cephalon

for \$81.50 per share, or \$6.8 billion, in cash. A number of analysts believed that the deal would conclude since they believed it was unlikely that Valeant would get into a bidding war with Teva and that Valeant would turn its attention to other potential acquisition targets,” Burrill concluded.

“Stem cell research also received a boost when the U.S. Court of Appeals for the District of Columbia lifted an injunction imposed last year preventing federally funded embryonic stem-cell research. Throw in strong first quarter financial results from biotech’s leading companies including Celgene who reported its total revenue increased 40 percent to \$1.11 billion for the quarter ending March 31, 2011, and it is no surprise that we have seen a significant jump in the value of our Burrill Biotech Select Index, which is now up 14.4 percent year-to-date,” Burrill said

Quiet month for IPOs

Only two US biotech company priced IPOs this month:

- Specialty pharmaceutical company, Sagent Pharmaceuticals sold 6.6 million shares including over-allotments at \$16.00 per share, which was at the high end of their projected \$14 to \$16 share price range. Since its formation in 2006 Sagent has developed an extensive portfolio of injectable pharmaceutical products.

- For its IPO, Tranzyme Pharma priced 13.5 million shares at \$4.00 per share. The North Carolina biotech had hoped to debut mid-March in the \$11 to \$13 per share range, but its underwriters couldn’t get any traction for the offer until they slashed the price more than two thirds and tripled the number of shares offered. Tranzyme is a clinical-stage biopharmaceutical company focused on discovering, developing and commercializing novel, first-in-class small molecule therapeutics for the treatment of acute (hospital-based) and chronic gastrointestinal motility disorders.

“The improving performance of the newly minted biotech IPOs are reflective of biotech’s improving fortunes overall and the strengthening of the capital markets,” noted Burrill. “The IPO runway is full and it is likely we will see several more biotech companies complete their IPOs in the coming months although to get the deals done they may have to modify their pricing strategies to a lower price and a larger number of shares on offer as was the case for Tranzyme.”

Industry market cap

The industry closed the month with a collective market cap of \$409.22 billion (up 1.2 percent for the month and 9.9 percent year-to-date).

Performance of Biotech IPOs completed in 2011:

Company	TICKER	IPO Price	Amount Raised (\$M)	Price 4/29/11	% Change
AcelRx	ACRX	\$5.00	40	\$3.42	-31.60
Fluidigm	FLDM	\$13.50	75	\$16.55	22.59
Gevo*	GEVO	\$15.00	107	\$19.35	29.00
BG Medicine	BGMD	\$7.00	35	\$7.62	8.86
Epocrates	EPOC	\$16.00	86	\$23.40	46.25
Endocyte*	ECYT	\$6.00	75	\$12.15	102.50
Pacira Pharmaceuticals	PCRX	\$7.00	42	\$10.54	50.57
Sagent Pharmaceuticals	SGNT	\$16.00	106	\$20.14	25.88
Tranzyme Pharma	TZYM	\$4.00	54	\$4.17	4.25

*Burrill & Company is an investor in the company

Burrill Biotech Indices

INDEX	12/31/2010	3/31/2011	4/29/2011	% CHANGE (MONTH)	% CHANGE (QTR)
Burrill Select	365.12	393.13	417.68	6.24%	14.40%
Burrill Large Cap	526.55	550.22	595.17	8.17%	13.03%
Burrill Mid-Cap	218.1	237.47	277.38	16.81%	27.18%
Burrill Small Cap	94.97	104.76	109.22	4.26%	15.00%
Burrill Diagnostics	158.05	176.16	189.08	7.33%	19.63%
Personalized Medicine	106.26	112.44	116.2	3.34%	9.35%
Canadian Biotech	55.68	67.6	70.11	3.71%	25.92%
NASDAQ	2652.87	2781.07	2873.54	3.32%	8.32%
DJIA	11577.51	12319.73	12810.54	3.98%	10.65%
Amex Biotech	1297.61	1369.8	1462.1	6.74%	12.68%
Amex Pharma	305.88	307.41	329.75	7.27%	7.80%

About Burrill & Company

Founded in 1994, Burrill & Company is a diversified global financial services firm focused on the life sciences industry. With more than \$1 billion in assets under management, the firm's businesses include venture capital, private equity, merchant banking and media. By leveraging the scientific and business networks of its investment team, Burrill & Company has established unrivaled access and visibility in the life sciences industry. This unique combination of resources and capabilities enables the company to provide life sciences companies with capital, management expertise, insight, market intelligence and analysis through its investments, conferences, and publications. Headquartered in San Francisco, the company oversees a global network of offices throughout the United States, Latin America, Europe and Asia. For more information visit: www.burrillandco.com.

Upcoming Burrill & Company Events:**The Burrill Latin America Life Sciences Conference**

May 19-20, 2011 in Rio De Janeiro, Brazil
http://www.burrillandco.com/Latin_America_2011/

The 2nd Annual Burrill Pan-Asia Life Sciences Meeting

June 26, 2011, Grosvenor Auditorium at the National Geographic Museum
Washington D.C.
http://www.burrillandco.com/pan_asia_2011/

The Burrill Personalized Medicine Meeting

October 03, 2011 - October 04, 2011
The San Francisco Airport Marriott
Burlingame, CA
http://www.burrillandco.com/personalized_medicine_2011/

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