

FOR IMMEDIATE RELEASE

Biotech picks up momentum in February

SAN FRANCISCO - March 1, 2011 - After opening the year on a quiet note the biotech industry picked up momentum in February – a month that saw Sanofi-Aventis and Genzyme finally reach an agreement approximately seven months after Sanofi made its initial offer of \$69 per share to acquire Genzyme. In the end, Sanofi agreed to pay \$74 per share in cash and give each Genzyme shareholder, one contingent value right for each share they own, which will entitle them to additional cash payments tied to specified milestones related to Genzyme's Lemtrada, Cerezyme, and Fabrazyme drugs, according to the released terms of the deal.

“This closing of the Sanofi-Genzyme deal certainly caused a surge of investor interest in the sector this month,” said G. Steven Burrill, CEO, Burrill & Company, a diversified global financial services firm focused on the life sciences industry, “and created a great deal of speculation about the next biotech heavyweight that might be acquired this year.

“We are predicting in our latest annual report* that there will certainly be a surge in biotech acquisitions throughout 2011... and it will not just be Big Pharma companies that are doing the acquiring,” Burrill continued. “Close on the heels of Amgen's \$1 billion deal to acquire BioVex last month, biotech's second largest company by market cap, Gilead Sciences, paid \$375 million cash to acquire privately-held Calistoga Pharmaceuticals, a company focused on cancer and inflammatory diseases. Factoring in potential milestones, the total deal could be worth around \$600 million. Forest Laboratories also reported that it will acquire Clinical Data for \$1.2 billion.”

The Burrill Biotech Select Index closed the month up 3.3 percent in value. Meanwhile, the capital markets also finished strongly with the Dow Jones Industrial average recording an almost 3 percent gain with the Nasdaq Composite index closed up by the same amount at 3 percent. Leading the Select gainers was Exelixis, posting a 43.6 percent increase in share value. In February the company reported positive interim data from patients with metastatic castration-resistant prostate cancer (CRPC) treated with cabozantinib (XL184) in an ongoing phase 2 trial. The primary cause of morbidity and mortality in patients with CRPC is metastasis to the bone, which occurs in about 90 percent of cases. The data, Exelixis reports, support the findings that cabozantinib reduces or stabilizes metastatic bone lesions in nearly all patients evaluable by bone scan. Vertex posted a healthy 22 percent pop in its share price in February following their news that VX-770, the company's oral medicine treatment for cystic fibrosis, improved lung function by more than 10 percent.

Biotech IPOs

The *Burrill Report* noted that several biotech companies made their U.S. market debut in February. “With the exception of renewable fuels and chemical developer Gevo** and mobile health apps company Epocrates, all other biotech companies had to significantly lower their pricing expectations to get their IPO deals done,” said Burrill. “The average aftermarket performance of the biotech IPOs at the end of the month was 8.6 percent.”

Gevo sold 7.15 million shares at \$15 - the top of its pricing range, while Epocrates made its stock market debut raising \$85.8 million through the sale of 5.4 million shares at \$16 each. The offering raised 14 percent more than planned as shares were sold above their original target range of \$13 to \$15.

Performance of Biotech IPOs completed in 2011

Company	TICKER	IPO Price	Amount Raised (\$M)	Price 2/28/11	% Change	2/28/11 Market Cap(\$M)
AcelRx	ACRX	\$5.00	40	\$3.62	-27.60%	70
Fluidigm	FLDM	\$13.50	75	\$14.15	4.81%	268
Gevo	GEVO	\$15.00	107	\$19.71	31.40%	486
BG Medicine	BGMD	\$7.00	35	\$8.55	22.14%	157
Endocyte**	ECYT	\$6.00	75	\$7.33	22.17%	203
Pacira Pharmaceuticals	PCRX	\$7.00	42	\$6.90	-1.43%	119

**Burrill & Company is an investor in the company

Market Cap

According to the February issue of the *Burrill Report*, (www.burrillreport.com) the biotech industry’s collective market cap was \$384 billion, up 1.5 percent for the month.

Burrill Indices

INDEX	12/31/2009	12/31/2010	1/31/2011	2/28/2011	% CHANGE (MONTH)	% CHANGE (YR)
Burrill Select	312.47	365.12	366.06	378.21	3.32%	3.59%
Burrill Large Cap	461.85	526.55	526.81	527.28	0.09%	0.14%
Burrill Mid-Cap	166.01	218.1	208.49	212.22	1.79%	-2.70%
Burrill Small Cap	88.12	94.97	91.88	93.91	2.21%	-1.12%
Burrill Diagnostics	147.96	158.05	161.07	169.7	5.36%	7.37%
Personalized Medicine	91.71	106.26	109.28	110.19	0.83%	3.70%
Canadian Biotech	40.35	55.68	61.83	61.73	-0.16%	10.87%
NASDAQ	2269.15	2652.87	2700.08	2782.27	3.04%	4.88%
DJIA	10428.05	11577.51	11891.93	12226.34	2.81%	5.60%
Amex Biotech	941.92	1297.61	1279.57	1284.59	0.39%	-1.00%
Amex Pharma	309.21	305.88	300.94	307.37	2.14%	0.49%

About Biotech 2011

**Biotech 2011-Life Sciences: Looking Back to See Ahead* is G. Steven Burrill's 25th annual publication on the state of the biotechnology industry. This special anniversary edition examines how the industry has developed into the global enterprise it is today. It describes what companies will need to do in order to remain competitive in a world being reshaped by technology, globalization and emerging markets. In addition, it provides comprehensive analysis on the global industry's performance in 2010. Details: www.burrillandco.com/resources

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.