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For Immediate Release

**BURRILL & COMPANY'S MERCHANT BANKING PRACTICE ANNOUNCES
INCREASING SPIN-OUT ACTIVITY FROM PHARMACEUTICAL
COMPANIES**

San Francisco, CA, January 7, 2005—Burrill & Company announced today the completion of a number of important transactions for their pharmaceutical and biotechnology clients in 2004. In addition to licensing and M&A activity, Burrill reported an increase in “spin-out” activity from “big pharma”, including:

- The sale of growing service businesses or operating units from a larger “parent” organization (e.g. Laureate Pharma’s contract biologics manufacturing business)
- The creative development of deal alternatives for proprietary programs outside of the strategic focus of pharmaceutical players (e.g. Procter & Gamble’s antibiotic program)

“We see these groundbreaking transactions as a precursor to a growing opportunity to strategically capture value for products, disease area portfolios, and businesses to life science buyers,” said James Watson, Practice Head of Burrill & Company’s Merchant Banking Practice.

BURRILL & COMPANY'S MERCHANT BANKING PRACTICE ANNOUNCES
INCREASING SPIN-OUT ACTIVITY FROM PHARMACEUTICAL
COMPANIES...Page 2 of 5

In 2004 Burrill & Company completed the following transactions:

TaiGen Biotechnology Announces Strategic Deal with Procter & Gamble

January 2005—TaiGen Biotechnology Co., Ltd. announced today the signing of a strategic alliance relationship with Procter & Gamble involving the development and commercialization of a novel, non-flourinated quinolone antibiotic. Under the terms of the agreement, TaiGen will be responsible for completing Phase II development of the compound to meet worldwide regulatory standards. TaiGen and Procter & Gamble will then collaborate to seek a multinational pharmaceutical partner for the Phase III development and subsequent commercialization of the compound. In addition, TaiGen has development and commercialization rights within China, Taiwan, Korea and the ASEAN countries.

Burrill & Company was retained by P & G to assist in the deal. G. Steven Burrill, CEO of Burrill & Company commented, "This is truly a groundbreaking deal. Both sides win, and achieve important strategic objectives with a novel deal structure. We also think it plays well into the rapidly emerging biotech capabilities in Asia. We were pleased to be part of developing this deal between two innovative partners."

Laureate Pharma Acquired by Safeguard Scientifics

December 2004—Safeguard Scientifics, Inc. announced that it had completed the acquisition of the business and substantially all of the assets of Laureate Pharma L.P. of Princeton, NJ for approximately \$29.5 million. Laureate Pharma is a bioprocessing and drug delivery services company dedicated to supporting the development and commercialization of new pharmaceuticals and diagnostics.

This transaction places a rapidly growing service business focused on biologics manufacturing into the hands of Safeguard. Safeguard is committed to building great companies and is increasingly focused on healthcare. James Watson, Managing Director of Burrill & Company said, "This transaction is part of a growing involvement Burrill has in spinning out technologies from parent corporations (which range from big pharma to private companies), which also enables new owners to inject greater resources and focus into the acquired asset."

ViroPharma and Schering-Plough Finalize Pleconaril License Agreement

November 2004—ViroPharma Incorporated (Nasdaq:VPHM) announced that Schering-Plough Corporation (NYSE:SGP) and ViroPharma have finalized the license agreement under which Schering-Plough has assumed responsibility for all future development and commercialization of pleconaril.

BURRILL & COMPANY'S MERCHANT BANKING PRACTICE ANNOUNCES
INCREASING SPIN-OUT ACTIVITY FROM PHARMACEUTICAL
COMPANIES...Page 3 of 5

Upon the effective date of the agreement, Schering-Plough will pay ViroPharma an initial license fee of \$10 million and thereafter will purchase ViroPharma's existing inventory of bulk drug substance for up to an additional \$6 million. ViroPharma will also be eligible to receive up to an additional \$65 million in milestone payments upon achievement of certain targeted regulatory and commercial events, as well as royalties on Schering-Plough's sales of intranasal pleconaril in the licensed territories, if Schering-Plough gains approval for pleconaril.

In November 2003, the two companies entered into an option agreement for intranasal pleconaril. Since then, ViroPharma conducted a series of clinical studies designed to evaluate the antiviral activity, safety and performance characteristics of the intranasal pleconaril formulation. Based on the assessment of these studies, in August 2004 Schering Plough exercised its option to move forward and enter into a license agreement for the product. The new intranasal formulation of pleconaril represents an optimized delivery approach for this compound, as compared to the earlier oral formulation for which ViroPharma filed an NDA in 2001. According to Dick Haiduck, Managing Director of Burrill & Company, "It took remarkable vision and persistence by ViroPharma management, in conjunction with Burrill's team, to demonstrate the potential for reformulated pleconaril. It is therefore more gratifying to now see this program moving forward in the hands of a highly competent partner in Schering Plough."

Acrux Announces Strategic Deal with Vivus

February 2004—Specialty pharmaceutical company Acrux announced that its wholly owned subsidiary FemPharm secured a \$13.3 million deal in fees plus royalties with VIVUS Inc (NASDAQ:VIVUS) to develop its novel, Phase II transdermal spray for treatment of female sexual dysfunction (FSD) and menopause in the USA.

The deal is a significant achievement for the Melbourne-based company, opening the way to major global human pharmaceuticals markets. VIVUS is a world leader in the research, development and commercialization of products to restore sexual function, and Acrux has tapped into the biggest world market for women's health—the United States. The agreement follows intense selection of the most suitable partner by Acrux and its strategic deal making advisor Burrill & Company, San Francisco, USA. James Watson, Managing Director of Burrill & Company said, "This is an interesting drug delivery deal which highlights how a transdermal technology can truly become the delivery mechanism of choice in a huge market and thereby achieve "NCE-like" returns."

BURRILL & COMPANY'S MERCHANT BANKING PRACTICE ANNOUNCES INCREASING SPIN-OUT ACTIVITY FROM PHARMACEUTICAL COMPANIES...Page 4 of 5

Alliance Announces Agreement for Oxygent™ Development with Nycomed

April 2004—Alliance Pharmaceutical Corp. and Nycomed Danmark A/S today announced the signing of a collaboration agreement for Nycomed to develop and commercialize Oxygent™ in Europe. Oxygent™ (perflubron emulsion) is a synthetic oxygen carrier in late-stage clinical studies for avoidance of red blood cell transfusions during surgery.

Alliance Announces Agreement for Oxygent™ Development with LEO Pharma

January 2005—Alliance Pharmaceutical Corp. and LEO Pharma A/S today announced that an agreement has been reached to enter into a License Agreement to develop and commercialize Oxygent™ in Europe and Canada. The terms of the License Agreement include certain initial and future payments to PFC upon the completion of various regulatory and commercial milestones for Oxygent development in Europe and royalties on commercial sales of Oxygent in Europe and Canada.

Burrill & Company assisted Alliance in developing and executing a partnering strategy designed to fund development of Oxygent™ and retain rights in the U.S. In April, a partnership was completed with Nycomed to fully fund development and commercialization of Oxygent in Europe. Unfortunately, subsequent to EMEA concerns regarding the proposed clinical development and registration plan for Oxygent, Nycomed terminated the partnership. In December, Burrill & Company assisted Alliance in completing a new partnership with LEO Pharma, based on a revised clinical development plan, for the development and commercialization of Oxygent in Europe and Canada. In addition, a term sheet has been signed with a Chinese pharmaceutical company for the development and commercialization of Oxygent in China, with this partnership expected to be completed early in 2005. “We are pleased to assist Alliance in securing collaborations that further the development of Oxygent” said Mike Ullman, Managing Director of Burrill & Company, “Each of these transactions provides registration-enabling clinical study data to support approval of Oxygent in the U.S., where Alliance retains full rights.”

About Burrill & Company

Burrill & Company is a life sciences merchant bank, focused exclusively on companies involved in biotechnology, pharmaceuticals, diagnostics, human healthcare and related medical technologies, wellness and nutraceuticals, agricultural technologies, and industrial biotechnology (biomaterials/bioprocesses).

BURRILL & COMPANY'S MERCHANT BANKING PRACTICE ANNOUNCES
INCREASING SPIN-OUT ACTIVITY FROM PHARMACEUTICAL
COMPANIES...Page 5 of 5

Venture Capital

The Burrill family of venture capital funds, with over \$500 million under management, includes the Burrill Life Sciences Capital Fund, the Burrill Biotechnology Capital Fund, the Burrill Agbio Capital Fund and its successor—the Burrill Agbio Capital Fund II, and the Burrill Nutraceuticals Capital Fund. Burrill & Company has commenced its Burrill Life Sciences Capital Fund III, a \$300-\$500 million fund, which it expects to become operational in 2005.

Merchant Banking Services

Burrill & Company assists life science companies to identify, negotiate and close strategic partnerships and merger and acquisition transactions providing access to resources, technologies or collaborations essential for executing company business plans. We have completed 28 strategic partnerships with a value of nearly \$2 billion. Service lines include:

- **Strategic Partnering** including licensing, research and other collaborations
- **Strategic Advisory Services** including new company formation
- **Merger & Acquisitions** across life sciences
- **Spin-outs** ranging from products, to research divisions to disease area franchises

Biotech 2004/Burrill Datacenter

Burrill & Company's annual analysis of the "State of the Industry" has been an important part of the biotech industry's view of itself over the last 18 years. *Biotech 2004—Life Sciences: Back on Track*, is a perspective on where the industry has been and is going and was released Q1 04. In addition, the newly created Burrill Datacenter is an online resource for keeping up-to-date information from the biotech industry at your fingertips, including updated data from *Biotech 2004*. To order *Biotech 2004* or to subscribe to the Burrill Datacenter, visit www.burrilldatacenter.com or call (415) 591-5400.

For more information, please visit Burrill & Company's website at www.burrillandco.com.

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