

BIO WORLD[®] TODAY

WEDNESDAY
FEBRUARY 11, 2004

THE DAILY BIOTECHNOLOGY NEWSPAPER

VOLUME 15, No. 27
PAGE 1 OF 6

CuraGen Planning To Pull Down \$75M In Convertibles Placement

By Randall Osborne
National Editor

CuraGen Corp. said it plans to offer \$75 million in convertible notes due 2011 in a private placement, with an option for the initial purchaser to buy up to \$15 million more.

The company, which is in a quiet period as required by the SEC, said the conversion price is yet to be determined. Its stock (NASDAQ:CRGN) closed Tuesday at \$7.07, down \$1.28, or 15.3 percent.

CuraGen said a portion of the proceeds will be used to repay debt.

According to an SEC filing, CuraGen as of Sept. 30 had total consolidated debt of \$151.5 million and an accumulated deficit of \$272 million. The company's total cash position at Sept. 30 was \$358.3 million, counting its cash,

See CuraGen, Page 3

BioPartnering North America

Partnering Profile Rising For All Of Asia, Especially China

By Aaron Lorenzo
Staff Writer

VANCOUVER, British Columbia – Located in one corner of the conference hall, the message center teems with attendees all day long.

During breaks between panel sessions and workshops, they collect messages that direct them to their next liaison, or perhaps to a new relationship. Hunkered in small conference rooms during half-hour and hour-long blocks of time, representatives from biotech and pharmaceutical companies, as well as financiers, have spent nearly all their time in such informal, meet-and-greet sessions.

Some provide fruitful leads, some prove less productive and some simply serve as an opportunity to spend time with current drug development collaborators or con-

See Conference, Page 4

Vion Raising \$35.2M To Fund Triapine, Cloretazine Progress

By Kim Coghill
Washington Editor

Vion Pharmaceuticals Inc. entered agreements under which it will raise \$35.2 million in private funding expected to help finance the firm as its two lead drugs move into pivotal trials.

The company plans to sell about 13.6 million shares of common stock at \$2.60 per share, and to issue investors warrants to purchase about 3.4 million shares at \$3.25 per share for an additional \$11 million.

Vion's stock (NASDAQ:VION) closed Tuesday at \$2.90, up 19 cents.

Howard Johnson, president and chief financial officer of New Haven, Conn.-based Vion, told *BioWorld Today* the firm now has the money to push its lead agents, Triapine and Cloretazine. He believes the funding will support the

See Vion, Page 6

U.S./Canadian, European Biotechnology VC Directories For 2004 Available

The U.S./Canadian 2004 Biotechnology VC Directory and European 2004 Biotechnology VC Directory, produced by BioAblity and published by BioWorld, have been released.

More VC profiles for the U.S. and Europe have been added, and Canadian firms also have been included. 504 different venture capital firms are included in the U.S./Canadian edition, and 244 firms in the European edition. More than 1,200 individual contacts are listed in the U.S./Canadian edition, and more than 500 contacts in the European edition.

"Besides the addition of more VC profiles, there are also 'focus areas' for some of the VCs," said Brady Huggett, managing editor of *BioWorld Today*. "That allows companies to pinpoint VC firms that have a specific interest in a science or technology that the company is involved in, whether it be vaccines, therapeutics, platform technologies or another area."

For information, call 1-800-688-2421 or 1-404-262-5476.

INSIDE:

OTHER NEWS TO NOTE (NANOGEN ACQUIRING SYN-X PHARMA)2-6

THOMSON

Conference

Continued from Page 1

tract research customers. In any case, the meetings demonstrate an eagerness toward partnering.

Some efforts involve international relationships, and panelists Tuesday addressed the topic of collaborative efforts in Asia during an early morning session.

Panel members emphasized market opportunities in three distinct regions – Japan, Southeast Asia and China. While Asian alliances traditionally have focused on Japan, the latter two regions are emerging as viable partnering areas for various reasons.

Barbara Kosacz, the session's moderator and a partner and head of the national life sciences practice at Cooley Godward LLP, said cross-border alliances are distributed by more than 40 percent through deals in both Europe and the Americas, though only 8 percent in Asia. In the future, she expects that to change.

"If you look at biotechnology in the Asia-Pacific region, it's growing in every respect," Kosacz said. "[There are increases] in revenues, numbers of employees and numbers of companies."

Factors leading to such growth include a shift away from a perception of non-Japanese Asia as a source of manufacturing and cheap labor. Instead, the region is being viewed as a location for technology- and science-based economies, said Chris Tan, president of Calidris R&D. He pointed to epicenters of biotech research in Okinawa, at a university being established there, and in Singapore, the site of Biopolis, an integrated research and development complex that houses scientists from big pharma and biotech companies.

"Suddenly overnight, there is a huge market," Tan said. "For the first time in a turbulent history in Asia seen 50 or 60 years ago, the Koreans, Chinese, Japanese and Southeast Asians are getting together with a will to build a knowledge-based economy for the whole Asia-Pacific region."

Research centers in Asia have lured overseas talent to their operations, and also have worked to retain local talent. He advised Western companies not to view partnering opportunities in the region simply as an add-on to other territories, but rather for the growing potential Asia offers.

Perhaps most intriguing is the area's sleeping giant, China.

The world's most populous country offers a largely untapped market to companies seeking partnerships, said Sam Lou, the chief operating officer of Crimson Pharma. He said recent and continued forecasts of gross domestic product growth, coupled with a push toward globalization and improved protection for intellectual property, make China a nice fit for drug development.

In fact, Lou pitched the idea of more efficient drug development through collaborations with Chinese partners.

"When you're working with a partner in China, you can dramatically reduce the cost of reaching your next mile-

stone by getting there earlier," he said.

An Asian country more traditionally associated with partnerships, Japan, is experiencing a market downsize as a result of a shrinking population and consolidation. Richard Hammel, a partner at ProPharma International Partners, spoke about trends toward consolidation in Japan and a growing presence of multinational pharmaceutical companies. But he added that large Japanese companies will still need to fill their pipeline, and the opportunity for licensing arrangements for biotech companies in that territory will continue. ■

OTHER NEWS TO NOTE

• **Antares Pharma Inc.**, of Exton, Pa., completed an about \$9.6 million private placement of its common stock at a price of \$1 per share. The company also issued to the purchasers five-year warrants to purchase, at an exercise price of \$1.25 per share, an aggregate number of shares of common stock equal to 33 percent of the total number of shares of common stock sold. The company also reported that it is in discussions with other institutional investors interested in participating in the financing round. Antares said those investors might purchase between \$2 million and \$4 million in a follow-on closing expected to occur within the next two weeks.

• **Aphton Corp.**, of Miami, plans to publicly offer 7 million shares of its common stock pursuant to a shelf registration statement filed with the SEC. The company intends to grant underwriters an option to purchase up to an additional 1.05 million shares to cover overallocments. UBS Securities LLC is lead underwriter for the offering, which includes Harris Nesbitt Gerard as co-manager. Aphton is developing products using its targeted immunotherapy technology for neutralizing hormones that participate in gastrointestinal system and reproductive system cancer and noncancer diseases.

• **BioAdvance**, of Philadelphia, selected eight recipients to receive a total of \$3.3 million in seed and pre-seed funding from its second investment cycle. BioAdvance is known as the biotechnology greenhouse of southeastern Pennsylvania, which aims to help entrepreneurs move potential products to a more advanced stage where they can secure venture capital and corporate funding.

• **ChemBridge Research Laboratories LLC**, of San Diego, and **Merck KgaA**, of Darmstadt, Germany, accomplished their first collaboration project. In August, ChemBridge entered a contract research agreement to provide its discovery research capabilities to Merck. ChemBridge scientists synthesized multiple series of focused libraries under application of its high-throughput medicinal chemistry platform to complement Merck's in-house finding efforts. Financial terms were not disclosed.