



FOR IMMEDIATE RELEASE

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**HEALTH CARE M&A MARKET HEATS UP AND VC FUNDING KEEPS FLOWING
FOR BIOPHARMACEUTICALS AND BIOTECHNOLOGY DEALS, ACCORDING TO
IRVING LEVIN ASSOCIATES, INC.**

NORWALK, CONNECTICUT – July 14, 2005 – Biopharmaceutical and biotechnology deals continue to dominate the health care merger and acquisition market, with more health care M&A dollars committed in these sectors during the first six months of 2005 than in all of 2004. And for the second year in a row, health care venture capital spending on biotechnology and biopharmaceutical deals accounted for approximately 41% of all health care VC spending as of the end of the second quarter. Results released by Irving Levin Associates, Inc. indicate that during the six months ended June 30, 2005, biopharmaceutical and biotechnology deals combined amounted to nearly \$1.6 billion in venture capital, up slightly from the first half of 2004.

Overall health care venture capital deal flow increased slightly, and the majority of the deals made continue to be smaller rounds. During the first six months of 2005, transactions valued at less than \$25 million accounted for approximately 75% of the deals and about 40% of the dollar volume in the biopharmaceutical and biotechnology sectors, up slightly from the year-ago period. “Even as the industry matures and consolidates, more new companies are emerging or being spun out from universities and large corporations, leading to a number of smaller, start-up rounds,” noted Gretchen S. Swanson, Editor of *Healthcare Corporate Finance News*.

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“Some recent venture rounds have been small because the biotechs and biopharmas are planning to be acquired, or to license out later-stage product candidates as an exit strategy,” said Ms. Swanson, “and other small financings have been tied to collaboration agreements.”

Sixty biotechs or biotech compounds have already been acquired this year for an aggregate total of \$7.5 billion, up from the first half of last year, when nearly the same number of biotechnology deals were made for only \$5.8 billion, based on revealed prices. “The large pharmaceutical acquirers are better able to sustain the costs of final development, testing and regulatory approvals, and have existing marketing, commercialization and distribution infrastructures in place,” stated Sanford B. Steever, Editor of *The Health Care M&A Monthly*. During the first six months of 2005, total spending on biopharmaceutical and biotechnology mergers and acquisitions surpassed the \$6.7 billion spent during all of the previous year.

Irving Levin Associates, Inc., a leading health care financial publisher established in 1948, is based in Norwalk, CT and is online at www.levinassociates.com. This privately held corporation publishes newsletters and annual and quarterly reports, and maintains merger and acquisition databases, on the health care and senior housing markets. Financial events in the health care venture capital, private equity, public equity and merger and acquisition markets are reported in publications including, *Healthcare Corporate Finance News*, *Health Care M&A Monthly* and *The SeniorCare Investor*. For more information on publications by Irving Levin Associates, Inc., please call 1-800-248-1668, or visit www.levinassociates.com.

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