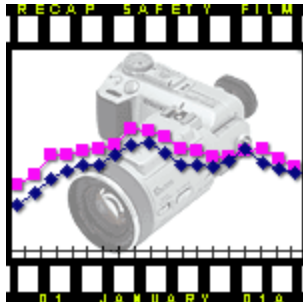


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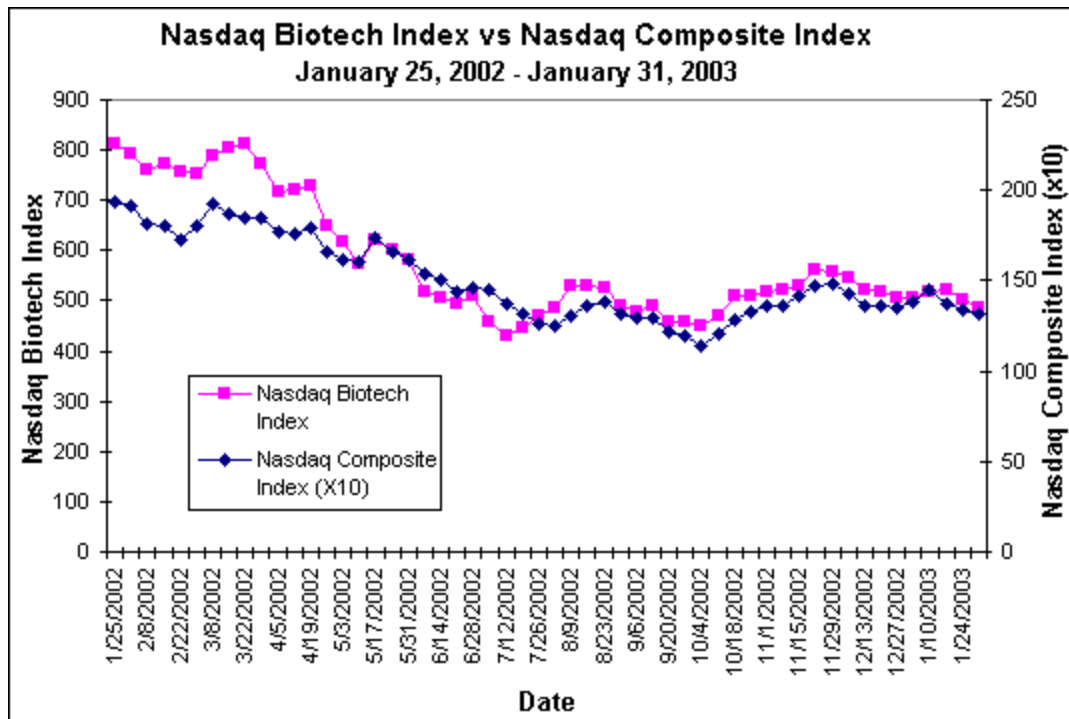
Financial Snapshot For January 2003: Treading Water



January proved to be another tough month in the stock market. As if the sagging economy and lackluster corporate profits weren't enough to make investors nervous, the threat of war with Iraq looms ever closer. In fact, at this point it seems imminent.

Stocks, which actually gained some ground in the first half of the month, have since succumbed to overall market unease. At the end of January, they remained essentially unchanged for the month. The Nasdaq Composite Index dropped by 1% between December 31, 2002 and January 31, 2003; the Nasdaq Biotech Index shed 2% during the same time period.

Even a spate of good news in the biotech sector – the FDA's positive actions on Amevive, Fabrazyme and Aldurazyme coupled with strong earnings reports from the leading biotech firms – wasn't sufficient to lift the entire group.



Over the last 12 months, the Nasdaq Biotech Index – which is comprised of the 72 largest and most actively traded biotech stocks – dropped by 40%, underperforming the Nasdaq Composite Index, which lost 32% between January 25, 2002 and January 31, 2003.

Many biotech stocks, however, have suffered more than a 40% drop over the last

year. On January 31, 2003, the average 12-month change in price for the 230 stocks tracked by Recombinant Capital and *Signals* was minus 47% and the median change was minus 54%.

On a positive note, the biotech stocks are still in better shape than they were in mid-July: Between July 10, 2002 and January 31, 2003, the Biotech Stock Index rose by 20% (while the Comp shed 2%).

January 2003 Stock Report

The January 2003 Stock Report, published by Recombinant Capital and *Signals*, is the 32nd in a series. It includes detailed financial data on 230 publicly traded biotechnology stocks, based on their closing prices on January 31, 2003.

Company	01/31/03 Close	% 52wk High	% change from 01/25/02	Market Cap (\$M)	Cash & Mkt. Sec. (\$M)	Tech Value (\$M)	LT Debt plus Convert	# of Staff	Tech Value/ Staff (\$M)	Est. Burn Rate (\$M)	Survival Index (Yrs)	Equity Multiple
GENOME THERAPEUTICS CORP	\$1.61	26%	-71%	\$37	\$54	-\$17	\$16	176	-\$0.1	-\$40.3	1.3	0.8
HUMAN GENOME SCIENCES	\$7.04	24%	-75%	\$906	\$1,352	-\$445	\$503	1010	-\$0.4	-\$300.3	4.5	0.5
INCYTE GENOMICS	\$4.36	28%	-71%	\$296	\$453	-\$157	\$172	585	-\$0.3	-\$153.6	2.9	0.4
MILLENNIUM PHARMACEUTICALS	\$7.40	29%	-64%	\$2,124	\$1,822	\$302	\$83	1900	\$0.2	na	na	0.5
MYRIAD GENETICS	\$12.72	26%	-71%	\$304	\$59	\$246	\$0	491	\$0.5	-\$21.3	2.8	1.5
1st Generation Genomics Average	.	27%	-70%	\$734	\$748	-\$14	\$155	.	\$0.0	-\$128.9	2.9	0.8
1st Generation Genomics Median	.	27%	-71%	\$300	\$256	-\$8	\$50	.	\$0.0	-\$40.3	2.8	0.7
Company	01/31/03 Close	% 52wk High	% change from 01/25/02	Market Cap (\$M)	Cash & Mkt. Sec. (\$M)	Tech Value (\$M)	LT Debt plus Convert	# of Staff	Tech Value/ Staff (\$M)	Est. Burn Rate (\$M)	Survival Index (Yrs)	Equity Multiple
ACLARA BIOSCIENCES	\$2.31	58%	-40%	\$84	\$119	-\$36	\$1	170	-\$0.2	-\$44.8	2.7	0.3
AFFYMETRIX	\$27.14	88%	-26%	\$1,584	\$353	\$1,232	\$370	905	\$1.4	na	na	4.5
CALIPER TECHNOLOGIES	\$2.92	20%	-81%	\$72	\$128	-\$56	\$0	132	-\$0.4	-\$37.5	3.4	0.3
CELERA GENOMICS GROUP	\$9.28	39%	-58%	\$664	\$880	-\$216	\$0	na	na	na	na	na
CEPHEID	\$5.31	81%	70%	\$164	\$21	\$143	\$2	143	\$1.0	-\$23.0	0.9	2.0
CIPHERGEN BIOSYSTEMS	\$4.58	64%	-31%	\$125	\$46	\$79	\$0	229	\$0.3	-\$31.6	1.4	0.7
ILLUMINA	\$3.00	31%	-68%	\$97	\$0	\$97	\$0	179	\$0.5	-\$30.4	0.0	na
SEQUENOM	\$1.62	21%	-78%	\$64	\$106	-\$42	\$6	272	-\$0.2	-\$68.0	1.6	0.1
TRANSGENOMIC	\$2.90	29%	-71%	\$68	\$18	\$50	\$0	na	na	-\$18.9	1.0	0.6
Genomic Supply Average	.	48%	-43%	\$325	\$186	\$139	\$42	.	\$0.4	-\$36.3	1.6	1.2
Genomic Supply Median	.	49%	-49%	\$90	\$76	\$25	\$0	.	\$0.4	-\$31.0	1.2	0.7
Company	01/31/03 Close	% 52wk High	% change from 01/25/02	Market Cap (\$M)	Cash & Mkt. Sec. (\$M)	Tech Value (\$M)	LT Debt plus Convert	# of Staff	Tech Value/ Staff (\$M)	Est. Burn Rate (\$M)	Survival Index (Yrs)	Equity Multiple
APPLIED MOLECULAR EVOLUTION	\$2.40	22%	-78%	\$49	\$55	-\$6	\$10	83	-\$0.1	-\$20.4	2.7	0.3

TANOX	\$8.46	52%	-37%	\$375	\$235	\$140	\$5	114	\$1.2	-\$30.6	7.7	1.2
Autoimmune Average		53%	-37%	\$312	\$106	\$206	\$21		\$1.5	-\$35.5	4.2	1.0
Autoimmune Median		59%	-36%	\$63	\$27	\$22	\$0		\$1.2	-\$16.4	1.9	1.0
Company	01/31/03 Close	% 52wk High	% change from 01/25/02	Market Cap (\$M)	Cash & Mkt. Sec. (\$M)	Tech Value (\$M)	LT Debt plus Convert	# of Staff	Tech Value/ Staff (\$M)	Est. Burn Rate (\$M)	Survival Index (Yrs)	Equity Multiple
ALLOS THERAPEUTICS	\$7.02	71%	15%	\$181	\$60	\$120	\$0	61	\$2.0	-\$21.2	2.8	1.1
ANTIGENICS	\$9.54	64%	-32%	\$316	\$70	\$245	\$0	208	\$1.2	-\$54.2	1.3	1.1
APHTON CORP	\$3.78	28%	-70%	\$86	\$9	\$77	\$0	50	\$1.5	-\$43.7	0.2	0.7
AVAX TECHNOLOGIES	\$0.14	20%	-78%	\$2	\$6	-\$4	\$0	43	-\$0.1	-\$10.4	0.6	0.0
AVI BIOPHARMA	\$4.78	40%	-55%	\$126	\$22	\$104	\$0	85	\$1.2	-\$28.2	0.8	0.9
BIOMIRA	\$1.11	27%	-71%	\$59	\$83	-\$24	\$0	179	-\$0.1	-\$17.6	4.7	0.7
BOSTON LIFE SCIENCES	\$1.13	39%	-61%	\$25	\$0	\$25	\$0	na	na	na	na	na
BRITISH BIOTECH PLC	\$2.80	28%	-70%	\$48	\$173	-\$126	\$3	145	-\$0.9	-\$36.2	4.8	0.1
CELGENE CORP	\$22.39	75%	-18%	\$1,762	\$289	\$1,473	\$0	383	\$3.8	-\$4.1	69.7	3.2
CELL PATHWAYS	\$0.52	9%	-90%	\$20	\$17	\$3	\$0	77	\$0.0	-\$18.9	0.9	0.1
CELL THERAPEUTICS	\$6.50	24%	-72%	\$212	\$169	\$43	\$0	238	\$0.2	-\$121.6	1.4	0.6
CORIXA CORP	\$5.70	45%	-49%	\$280	\$47	\$233	\$23	496	\$0.5	-\$66.3	0.7	0.2
CYTOGEN CORP	\$2.71	10%	-90%	\$24	\$16	\$8	\$3	74	\$0.1	-\$15.9	1.0	0.1
DENDREON	\$5.38	75%	17%	\$142	\$55	\$87	\$0	72	\$1.2	-\$20.8	2.6	0.9
DOR BIOPHARMA	\$1.42	77%	-20%	\$31	\$4	\$27	\$0	22	\$1.2	-\$2.5	1.6	0.4
DUSA PHARMACEUTICALS	\$1.71	33%	-64%	\$24	\$56	-\$32	\$2	55	-\$0.6	na	na	0.2
ENTREMED	\$0.98	11%	-87%	\$21	\$5	\$17	\$3	112	\$0.1	-\$47.0	0.1	0.1
EXEGENICS	\$0.39	17%	-82%	\$6	\$20	-\$14	\$0	29	-\$0.5	-\$10.7	1.9	0.1
GENAERA	\$0.39	11%	-89%	\$14	\$12	\$2	\$0	57	\$0.0	-\$11.9	1.0	0.1
GENTA	\$7.36	40%	-46%	\$538	\$127	\$412	\$10	60	\$6.9	-\$60.4	2.1	1.7
GERON CORP	\$2.10	23%	-78%	\$52	\$47	\$5	\$16	142	\$0.0	-\$28.8	1.6	0.2
ILEX ONCOLOGY	\$7.36	33%	-70%	\$239	\$149	\$90	\$0	310	\$0.3	-\$41.6	3.6	0.5
IMCLONE SYSTEMS	\$9.26	30%	-44%	\$682	\$293	\$389	\$242	399	\$1.0	-\$168.0	1.7	2.0
IMMUNOGEN	\$2.99	23%	-77%	\$128	\$515	-\$387	\$0	76	-\$5.1	na	na	0.1
IMMUNOMEDICS	\$4.90	23%	-68%	\$244	\$38	\$206	\$0	85	\$2.4	-\$11.5	3.3	1.5
MAXIM PHARMACEUTICALS	\$2.99	44%	-51%	\$70	\$108	-\$38	\$2	132	-\$0.3	-\$44.4	2.4	0.2
MEDAREX	\$3.44	19%	-77%	\$160	\$370	-\$210	\$175	297	-\$0.7	-\$216.5	1.7	0.3
NAPRO BIOTHERAPEUTICS	\$0.42	4%	-96%	\$13	\$12	\$1	\$25	189	\$0.0	-\$15.8	0.7	0.1
NEOPHARM	\$10.80	43%	-33%	\$177	\$102	\$75	\$0	72	\$1.0	-\$41.1	2.5	1.0
NEORX CORP	\$0.47	9%	-89%	\$13	\$12	\$0	\$5	118	\$0.0	-\$46.0	0.3	0.1
OSI PHARMACEUTICALS	\$15.23	35%	-64%	\$555	\$465	\$90	\$160	383	\$0.2	-\$88.6	5.2	0.8
OXIGENE	\$1.61	50%	-36%	\$20	\$14	\$6	\$0	15	\$0.4	-\$6.7	2.1	0.2
PRAECIS PHARMACEUTICALS	\$3.40	58%	-29%	\$176	\$209	-\$33	\$33	na	na	-\$22.3	9.4	0.5
PROGENICS PHARMACEUTICALS	\$7.70	45%	-55%	\$97	\$42	\$56	\$0	80	\$0.7	-\$25.6	1.6	1.1
QLT PHOTOTHERAPEUTICS	\$8.08	37%	-64%	\$552	\$257	\$295	\$0	285	\$1.0	-\$48.3	5.3	1.2
SCICLONE PHARMACEUTICALS	\$3.69	74%	44%	\$136	\$25	\$112	\$6	na	na	-\$6.7	3.7	0.9
SEATTLE GENETICS	\$3.30	49%	-48%	\$101	\$31	\$70	\$0	na	na	-\$20.4	1.5	1.0
XENOVA GROUP PLC	\$6.94	69%	-14%	\$97	\$18	\$78	\$0	134	\$0.6	-\$8.8	2.1	5.3
Cancer Average		37%	-54%	\$195	\$104	\$92	\$19		\$0.6	-\$40.9	4.2	0.8
Cancer Median		35%	-64%	\$97	\$47	\$27	\$0		\$0.3	-\$24.0	1.7	0.5

Company	01/31/03 Close	% 52wk High	% change from 01/25/02	Market Cap (\$M)	Cash & Mkt. Sec. (\$M)	Tech Value (\$M)	LT Debt plus Convert	# of Staff	Tech Value/ Staff (\$M)	Est. Burn Rate (\$M)	Survival Index (Yrs)	Equity Multiple
ATHEROGENICS	\$7.55	89%	18%	\$212	\$41	\$171	\$0	79	\$2.2	-\$27.7	1.5	1.7
CORVAS INTERNATIONAL	\$1.41	20%	-80%	\$39	\$71	-\$32	\$12	95	-\$0.3	-\$26.2	2.7	0.2
CV THERAPEUTICS	\$16.81	36%	-62%	\$456	\$420	\$35	\$196	222	\$0.2	-\$99.3	4.2	0.9
QUESTCOR PHARMACEUTICALS	\$1.07	51%	-46%	\$41	\$9	\$32	\$3	38	\$0.8	-\$4.0	2.3	0.5
SCIOS	\$32.80	87%	26%	\$1,530	\$66	\$1,464	\$161	425	\$3.4	-\$87.3	0.8	2.7
TEXAS BIOTECHNOLOGY CORP	\$1.30	20%	-76%	\$57	\$47	\$10	\$0	na	na	-\$23.4	2.0	0.3
Cardiovascular Average	.	51%	-37%	\$389	\$109	\$280	\$62	.	\$1.3	-\$44.6	2.3	1.0
Cardiovascular Median	.	51%	-46%	\$57	\$47	\$32	\$3	.	\$0.9	-\$26.2	2.0	0.9
Company	01/31/03 Close	% 52wk High	% change from 01/25/02	Market Cap (\$M)	Cash & Mkt. Sec. (\$M)	Tech Value (\$M)	LT Debt plus Convert	# of Staff	Tech Value/ Staff (\$M)	Est. Burn Rate (\$M)	Survival Index (Yrs)	Equity Multiple
3-DIMENSIONAL PHARMACEUTICALS	\$5.65	72%	-22%	\$128	\$75	\$53	\$5	204	\$0.3	-\$30.8	2.4	0.8
ARGONAUT TECHNOLOGIES	\$0.89	25%	-72%	\$18	\$29	-\$11	\$0	154	-\$0.1	-\$21.4	1.3	0.1
ARIAD PHARMACEUTICALS	\$2.39	38%	-32%	\$83	\$28	\$55	\$6	69	\$0.8	-\$31.3	0.9	0.5
ARQULE	\$3.08	23%	-77%	\$66	\$83	-\$17	\$8	385	\$0.0	-\$21.9	3.8	0.3
ARRAY BIOPHARMA	\$4.46	34%	-67%	\$124	\$52	\$72	\$0	na	na	-\$4.9	10.7	1.0
BIOCRYST PHARMACEUTICALS	\$0.87	16%	-83%	\$15	\$27	-\$12	\$0	77	-\$0.2	-\$13.7	2.0	0.1
KOSAN BIOSCIENCES	\$5.70	62%	-21%	\$145	\$63	\$81	\$0	68	\$1.2	-\$29.5	2.1	1.0
PHARMACOPEIA	\$6.55	42%	-54%	\$154	\$142	\$12	\$0	800	\$0.0	-\$25.3	5.6	0.5
SYMYX TECHNOLOGIES	\$11.89	48%	-46%	\$367	\$119	\$248	\$0	204	\$1.2	na	na	2.5
VERTEX PHARMACEUTICALS	\$13.84	43%	-35%	\$1,053	\$651	\$402	\$315	1000	\$0.4	-\$133.8	4.9	1.3
Chemistry Average	.	40%	-51%	\$215	\$127	\$88	\$33	.	\$0.4	-\$34.7	3.8	0.8
Chemistry Median	.	42%	-46%	\$124	\$63	\$53	\$0	.	\$0.3	-\$23.6	2.3	0.8
Company	01/31/03 Close	% 52wk High	% change from 01/25/02	Market Cap (\$M)	Cash & Mkt. Sec. (\$M)	Tech Value (\$M)	LT Debt plus Convert	# of Staff	Tech Value/ Staff (\$M)	Est. Burn Rate (\$M)	Survival Index (Yrs)	Equity Multiple
CEPHALON	\$46.53	67%	-35%	\$2,568	\$637	\$1,931	\$871	1127	\$1.7	na	na	2.6
DOV PHARMACEUTICALS	\$6.55	55%	na	\$94	\$64	\$30	\$14	NA	NA	-\$10.4	6.2	1.2
GUILFORD PHARMACEUTICALS	\$2.97	28%	-75%	\$89	\$96	-\$7	\$4	289	\$0.0	-\$58.3	1.6	0.3
INDEVUS PHARMACEUTICALS	\$2.17	21%	-80%	\$102	\$40	\$61	\$0	19	\$3.2	-\$19.3	2.1	0.3
MACROCHEM CORP	\$0.60	17%	-84%	\$17	\$10	\$6	\$0	32	\$0.2	-\$6.1	1.7	0.2
NEUROCRINE BIOSCIENCES	\$43.37	87%	-3%	\$1,327	\$275	\$1,052	\$0	222	\$4.7	-\$80.9	3.4	3.1
SPECTRUM PHARMACEUTICALS	\$2.04	2%	-98%	\$3	\$0	\$3	\$0	53	\$0.1	-\$9.4	0.0	0.0
SYNAPTIC PHARMACEUTICAL CORP	\$6.45	88%	-9%	\$71	\$28	\$43	\$0	97	\$0.4	-\$32.5	0.9	0.5
TITAN PHARMACEUTICALS	\$1.56	20%	-79%	\$43	\$81	-\$38	\$0	58	-\$0.7	-\$29.2	2.8	0.2
CNS Average		43%	-58%	\$479	\$137	\$342	\$99		\$1.2	-\$30.8	2.3	0.9

CNS Median		41%	-75%	\$80	\$52	\$18	\$0		\$0.4	-\$19.3	1.7	0.4
Company	01/31/03 Close	% 52wk High	% change from 01/25/02	Market Cap (\$M)	Cash & Mkt. Sec. (\$M)	Tech Value (\$M)	LT Debt plus Convert	# of Staff	Tech Value/ Staff (\$M)	Est. Burn Rate (\$M)	Survival Index (Yrs)	Equity Multiple
ABGENIX	\$5.53	21%	-78%	\$484	\$464	\$21	\$200	324	\$0.1	-\$135.4	3.4	0.5
ALKERMES	\$7.68	24%	-72%	\$497	\$72	\$426	\$206	520	\$0.8	-\$271.4	0.3	1.1
ARADIGM CORP	\$1.15	21%	-80%	\$36	\$35	\$1	\$0	307	\$0.0	-\$41.1	0.9	0.1
BIODELIVERY SCIENCES	\$1.95	51%	na	\$14	\$6	\$7	\$0	8	\$0.9	-\$5.7	1.1	1.0
CIMA LABS	\$22.50	77%	-19%	\$320	\$73	\$247	\$0	171	\$1.4	na	na	1.3
CYGNUS	\$0.33	5%	-93%	\$13	\$25	-\$12	\$20	102	-\$0.1	-\$40.8	0.6	0.0
DEPOMED	\$2.53	39%	-59%	\$35	\$9	\$26	\$0	40	\$0.7	-\$35.4	0.3	0.5
EMISPHERE TECHNOLOGIES	\$5.90	26%	-75%	\$106	\$18	\$88	\$32	241	\$0.4	-\$52.1	0.3	0.3
ENZON PHARMACEUTICALS	\$17.49	33%	-67%	\$752	\$224	\$528	\$0	106	\$5.0	na	na	2.9
FLAMEL TECHNOLOGIES SA	\$4.44	91%	82%	\$72	\$13	\$59	\$2	137	\$0.4	-\$8.9	1.5	1.4
GENETRONICS BIOMEDICAL LTD	\$0.43	59%	-49%	\$22	\$2	\$19	\$0	27	\$0.7	-\$5.6	0.4	0.4
NEKTAR THERAPEUTICS	\$5.86	41%	-59%	\$325	\$314	\$11	\$299	694	\$0.0	-\$106.1	3.0	0.4
NOVAVAX	\$2.66	22%	-78%	\$66	\$8	\$58	\$40	173	\$0.3	-\$26.9	0.3	0.6
NOVEN PHARMACEUTICALS	\$7.75	28%	-54%	\$175	\$60	\$115	\$0	252	\$0.5	na	na	2.2
ORAPHARMA	\$7.38	98%	85%	\$101	\$28	\$73	\$0	124	\$0.6	-\$19.6	1.4	0.9
SEPRACOR	\$11.27	24%	-78%	\$949	\$553	\$395	\$999	930	\$0.4	-\$94.4	5.9	1.2
SHEFFIELD PHARMACEUTICALS	\$0.17	5%	-95%	\$5	\$0	\$5	\$12	16	\$0.3	-\$5.2	0.1	0.1
Delivery Average		39%	-49%	\$234	\$112	\$122	\$106		\$0.7	-\$60.6	1.4	0.9
Delivery Median		30%	-67%	\$86	\$26	\$42	\$1		\$0.4	-\$35.4	0.9	0.8
Company	01/31/03 Close	% 52wk High	% change from 01/25/02	Market Cap (\$M)	Cash & Mkt. Sec. (\$M)	Tech Value (\$M)	LT Debt plus Convert	# of Staff	Tech Value/ Staff (\$M)	Est. Burn Rate (\$M)	Survival Index (Yrs)	Equity Multiple
ADVANCED MAGNETICS	\$4.14	78%	3%	\$28	\$18	\$10	\$0	24	\$0.4	-\$9.5	1.8	0.6
CHOLESTECH CORP	\$7.10	35%	-59%	\$97	\$15	\$82	\$0	220	\$0.4	na	na	1.2
DIAGNOSTIC PRODUCTS CORP	\$35.03	66%	-12%	\$1,000	\$43	\$957	\$0	1955	\$0.5	na	na	17.2
DIANON SYSTEMS	\$47.49	0%	-18%	\$573	\$60	\$513	\$0	1066	\$0.5	na	na	2.2
DIGENE CORP	\$11.47	31%	-57%	\$208	\$34	\$174	\$3	243	\$0.7	-\$10.5	3.2	1.8
ENZO BIOCHEM	\$13.01	60%	-44%	\$370	\$73	\$297	\$0	255	\$1.2	na	na	2.3
EPIX MEDICAL	\$7.35	45%	-43%	\$125	\$36	\$89	\$0	88	\$1.0	-\$22.4	1.6	1.0
HYCOR BIOMEDICAL	\$2.03	31%	-70%	\$16	\$6	\$11	\$1	149	\$0.1	na	na	1.3
IGEN INTERNATIONAL	\$39.46	86%	-3%	\$936	\$49	\$887	\$46	370	\$2.4	-\$33.4	1.5	3.9
LUMINEX	\$4.55	30%	-75%	\$134	\$40	\$94	\$0	183	\$0.5	-\$22.1	1.8	1.1
MARTEK BIOSCIENCES CORP	\$24.35	71%	-11%	\$568	\$29	\$540	\$0	166	\$3.3	-\$15.0	1.9	2.4
MATRITECH	\$1.86	57%	-30%	\$57	\$3	\$54	\$0	44	\$1.2	-\$8.5	0.3	0.8
ORASURE	\$7.85	94%	10%	\$295	\$13	\$281	\$3	221	\$1.3	-\$1.5	8.6	1.9
OSTEX INTERNATIONAL	\$0.99	37%	-63%	\$12	\$1	\$11	\$1	46	\$0.2	-\$4.5	0.2	0.3
QUIDEL CORP	\$3.43	45%	-57%	\$99	\$5	\$94	\$0	336	\$0.3	-\$4.8	1.0	0.7
SONUS PHARMACEUTICALS	\$2.75	38%	-65%	\$38	\$19	\$18	\$0	34	\$0.5	-\$13.1	1.5	0.7
TRINITY BIOTECH PLC	\$1.64	92%	-5%	\$66	\$1	\$65	\$0	332	\$0.2	na	na	3.0

Diagnostic/imag. Average		53%	-35%	\$272	\$26	\$246	\$3		\$0.9	-\$13.2	2.1	2.5
Diagnostic/imag. Median		51%	-37%	\$112	\$18	\$91	\$0		\$0.5	-\$10.0	1.6	1.2
Company	01/31/03 Close	% 52wk High	% change from 01/25/02	Market Cap (\$M)	Cash & Mkt. Sec. (\$M)	Tech Value (\$M)	LT Debt plus Convert	# of Staff	Tech Value/ Staff (\$M)	Est. Burn Rate (\$M)	Survival Index (Yrs)	Equity Multiple
AASTROM BIOSCIENCES	\$0.37	35%	-61%	\$18	\$8	\$10	\$0	44	\$0.2	-\$9.8	0.8	0.2
AVIGEN	\$4.81	41%	-56%	\$97	\$125	-\$28	\$0	143	-\$0.2	-\$28.4	4.4	0.4
CELL GENESYS	\$9.95	55%	-42%	\$358	\$226	\$133	\$0	262	\$0.5	-\$50.8	4.4	1.2
DIACRIN	\$1.04	45%	-50%	\$19	\$40	-\$21	\$0	30	-\$0.7	-\$6.1	6.5	0.2
INTROGEN	\$2.64	49%	-40%	\$57	\$31	\$26	\$7	77	\$0.3	-\$22.8	1.4	0.6
RIBOZYME PHARMACEUTICALS	\$0.25	6%	-93%	\$5	\$15	-\$10	\$5	130	-\$0.1	-\$27.3	0.6	0.0
TARGETED GENETICS CORP	\$0.29	11%	-89%	\$15	\$17	-\$3	\$23	173	\$0.0	-\$19.3	0.9	0.1
TRANSGENE SA	\$1.60	56%	-41%	\$48	na	na	\$0	318	na	na	na	na
TRANSKARYOTIC THERAPIES	\$4.90	11%	-88%	\$171	\$288	-\$118	\$0	376	-\$0.3	-\$83.6	3.5	0.2
VALENTIS	\$3.30	3%	-96%	\$7	\$12	-\$5	\$0	58	-\$0.1	-\$18.6	0.6	0.0
VICAL	\$3.08	30%	-70%	\$62	\$120	-\$58	\$0	152	-\$0.4	-\$40.9	2.9	0.3
Gene therapy Average		31%	-66%	\$78	\$88	-\$8	\$3		-\$0.1	-\$30.8	2.6	0.3
Gene therapy Median		38%	-59%	\$33	\$31	-\$5	\$0		-\$0.1	-\$22.8	1.4	0.5
Company	01/31/03 Close	% 52wk High	% change from 01/25/02	Market Cap (\$M)	Cash & Mkt. Sec. (\$M)	Tech Value (\$M)	LT Debt plus Convert	# of Staff	Tech Value/ Staff (\$M)	Est. Burn Rate (\$M)	Survival Index (Yrs)	Equity Multiple
AVANT IMMUNOTHERAPEUTICS	\$1.17	36%	-63%	\$71	\$26	\$44	\$0	71	\$0.6	-\$1.1	23.8	0.3
ESSENTIAL	\$0.15	4%	-96%	\$3	\$41	-\$38	\$1	139	-\$0.3	-\$20.3	2.0	0.0
GENELABS TECHNOLOGIES	\$1.58	45%	-27%	\$84	\$12	\$73	\$0	90	\$0.8	-\$17.2	0.7	0.4
IMMTECH INTERNATIONAL	\$1.98	27%	-58%	\$13	\$3	-\$9	\$0	na	na	-\$4.9	0.6	0.3
IMMUNE RESPONSE CORP	\$1.32	24%	-64%	\$13	\$1	\$12	\$3	129	\$0.1	-\$22.0	0.1	0.1
INTERMUNE	\$17.65	38%	-63%	\$558	\$343	\$215	\$150	57	\$3.8	-\$39.0	8.8	1.2
INTRABIOTICS	\$0.23	5%	-92%	\$9	\$35	-\$27	\$4	31	-\$0.9	-\$45.1	0.8	0.0
MEDIMMUNE	\$29.79	66%	-32%	\$7,485	\$454	\$7,031	\$218	877	\$8.0	-\$145.2	3.1	2.9
NABI BIOPHARMACEUTICALS	\$5.51	57%	-41%	\$213	\$44	\$170	\$0	615	\$0.3	na	na	1.3
NEOSE TECHNOLOGIES	\$8.08	23%	-76%	\$116	\$43	\$73	\$4	111	\$0.7	-\$23.8	1.8	0.6
SIGA TECHNOLOGIES	\$1.32	46%	-46%	\$15	\$1	\$14	\$0	12	\$1.1	-\$2.5	0.4	0.5
TRIMERIS	\$42.27	74%	14%	\$902	\$61	\$841	\$0	109	\$7.7	-\$72.6	0.8	3.1
VAXGEN	\$14.34	62%	47%	\$208	\$26	\$182	\$0	80	\$2.3	-\$31.0	0.8	1.4
VERSOR	\$11.04	51%	-43%	\$291	\$73	\$218	\$1	63	\$3.5	-\$52.1	1.4	1.4
VION PHARMACEUTICALS	\$0.36	8%	-91%	\$10	\$13	-\$3	\$0	50	-\$0.1	-\$9.9	1.3	0.1
VIROLOGIC	\$0.95	28%	-66%	\$24	\$6	\$18	\$0	204	\$0.1	-\$22.3	0.3	0.2
VIROPHARMA	\$1.68	8%	-91%	\$44	\$176	-\$133	\$156	418	\$0.4	na	na	0.2
XOMA LTD	\$3.88	32%	-60%	\$273	\$36	\$237	\$58	193	\$1.2	-\$49.0	0.7	-19.9
Infection Average		35%	-53%	\$574	\$77	\$496	\$33		\$1.7	-\$34.9	3.0	-0.3
Infection Median		36%	-60%	\$71	\$35	\$44	\$1		\$0.7	-\$22.3	0.8	0.4
Company	01/31/03	% 52wk	% change	Market Cap	Cash & Mkt.	Tech Value	LT Debt	#	Tech Value/	Est. Burn	Survival Index	Equity

Company	01/31/03 Close	% 52wk High	% change from 01/25/02	Market Cap (\$M)	Cash & Mkt. Sec. (\$M)	Tech Value (\$M)	LT Debt plus Convert	# of Staff	Tech Value/ Staff (\$M)	Est. Burn Rate (\$M)	Survival Index (Yrs)	Equity Multiple
AMGEN	\$50.96	81%	-11%	\$65,589	\$4,042	\$61,547	\$3,040	7700	\$8.0	na	na	3.4
BIOGEN	\$38.25	66%	-28%	\$5,702	\$828	\$4,873	\$39	1992	\$2.4	na	na	6.9
CHIRON CORP	\$37.52	76%	-13%	\$7,058	\$945	\$6,113	\$415	3736	\$1.6	na	na	2.9
GENENTECH	\$36.74	67%	-26%	\$18,910	\$1,124	\$17,786	\$0	4950	\$3.6	na	na	2.8
GENZYME CORP	\$32.29	62%	-34%	\$6,928	\$441	\$6,488	\$869	5200	\$1.2	na	na	2.5
GILEAD SCIENCES	\$34.90	87%	3%	\$6,864	\$625	\$6,239	\$250	1000	\$6.2	na	na	7.3
IDEC PHARMACEUTICALS CORP	\$32.08	45%	-49%	\$4,909	\$947	\$3,962	\$861	692	\$5.7	na	na	5.4
Revenue-driven Average	.	69%	-23%	\$16,566	\$1,279	\$15,287	\$782	.	\$4.1	na	na	4.5
Revenue-driven Median	.	72%	-20%	\$6,896	\$887	\$6,176	\$333	.	\$3.0	na	na	3.2
Company	01/31/03 Close	% 52wk High	% change from 01/25/02	Market Cap (\$M)	Cash & Mkt. Sec. (\$M)	Tech Value (\$M)	LT Debt plus Convert	# of Staff	Tech Value/ Staff (\$M)	Est. Burn Rate (\$M)	Survival Index (Yrs)	Equity Multiple
CUBIST PHARMACEUTICALS	\$6.57	29%	-61%	\$188	\$147	\$41	\$209	180	\$0.2	-\$68.0	2.2	0.7
DISCOVERY PARTNERS	\$2.46	30%	-65%	\$60	\$70	-\$10	\$0	225	\$0.0	-\$3.2	21.6	0.3
DIVERSA	\$8.30	61%	-34%	\$297	\$164	\$133	\$11	276	\$0.5	-\$26.8	6.1	1.1
DYAX	\$1.80	24%	-74%	\$35	\$34	\$1	\$16	239	\$0.0	-\$22.7	1.5	0.2
ISIS PHARMACEUTICALS	\$5.99	32%	-65%	\$330	\$292	\$38	\$179	434	\$0.1	-\$70.3	4.2	0.5
LIGAND PHARMACEUTICALS	\$4.66	23%	-72%	\$333	\$35	\$298	\$4	351	\$0.8	-\$28.2	1.3	0.5
NEUROGEN CORP	\$3.62	23%	-75%	\$65	\$84	-\$19	\$20	200	-\$0.1	-\$31.2	2.7	0.4
ONYX PHARMACEUTICALS	\$5.00	56%	6%	\$108	\$50	\$58	\$5	85	\$0.7	-\$43.3	1.2	0.6
REGENERON PHARMACEUTICALS	\$18.73	69%	-33%	\$825	\$300	\$525	\$200	575	\$0.9	-\$131.3	2.3	1.4
REPLIGEN CORP	\$3.00	67%	30%	\$82	\$17	\$65	\$0	40	\$1.6	-\$4.3	4.0	0.5
TULARIK	\$4.10	18%	-82%	\$225	\$175	\$50	\$9	380	\$0.1	-\$91.8	1.9	0.6
Screening Average	.	39%	-48%	\$232	\$124	\$107	\$59	.	\$0.4	-\$47.4	4.4	0.6
Screening Median	.	31%	-63%	\$148	\$77	\$45	\$10	.	\$0.4	-\$29.7	2.2	0.6
Company	01/31/03 Close	% 52wk High	% change from 01/25/02	Market Cap (\$M)	Cash & Mkt. Sec. (\$M)	Tech Value (\$M)	LT Debt plus Convert	# of Staff	Tech Value/ Staff (\$M)	Est. Burn Rate (\$M)	Survival Index (Yrs)	Equity Multiple
CELLEGY PHARMACEUTICALS	\$4.23	58%	-46%	\$83	\$5	\$77	\$1	36	\$2.1	-\$6.5	0.8	0.9
LIFECCELL CORP	\$2.59	66%	-22%	\$54	\$5	\$49	\$1	138	\$0.4	na	na	0.7
LIFECORE BIOMEDICAL	\$8.10	69%	-21%	\$104	\$1	\$104	\$6	200	\$0.5	-\$4.2	0.2	2.2
Wound Average	.	64%	-30%	\$80	\$4	\$76	\$2	.	\$1.0	-\$5.3	0.5	1.3
Wound Median	.	67%	-21%	\$68	\$3	\$63	\$1	.	\$0.8	-\$4.2	0.8	1.0
Grand Average	.	43%	-47%	\$770	\$142	\$632	\$55	.	\$0.8	-\$38.4	2.8	1.1
Grand Median	.	40%	-54%	\$104	\$47	\$53	\$0	.	\$0.4	-\$26.9	1.6	0.7

Footnotes to the table:

- Technology value: Market cap - cash (and cash equivalents)
- LT debt plus convert.: Long-term debt plus convertible debt
- Estimated burn rate: Net loss from the last available quarterly report, X4. Companies with net profit (instead of loss) are indicated as "na."
- Survival index: Cash (plus cash equivalents) / Estimated burn rate.
- Equity multiple: Market cap / (common stock + preferred stock + additional paid-in capital).
- Median: Middle value in a set of values
- The information contained in the January 2003 Stock Report has been obtained from public sources. Where information is not available, it is indicated as "na." Recombinant Capital cannot warrant the ultimate accuracy of the data. All data are subject to change.
- Most of the accounting figures are from quarterly reports as of 9/02, with some figures adjusted for one-time write-offs.

Highlights From The January 2003 Stock Report:

- The continued pressure on biotech stock prices has taken a heavy toll. Between January 25, 2002 and January 31, 2003, more than half the companies in our universe saw their stock prices drop by at least 50%.
- Meanwhile, quite a few companies have been removed from our list due to M&A activity, bankruptcies and delistings. Taking these factors into account, our figures probably have a "survivorship bias," resulting in an overestimation of returns.
- At the end of January 2002, there were 253 companies on our list. A year later, that number had been whittled down to 230. This trend will no doubt continue until the markets start to recover.
- At the end of January 2003, 35 (or 15%) of the stocks on our list closed at \$1 per share or less, making them likely candidates for delisting.
- Obviously, declining stock prices lead to shrinking market caps. At the end of January 2002, the median market cap for the biotech companies in our universe was \$210 million. At the end of January 2003, the median market cap was \$104 million (the average was \$770 million). The median and average market cap values were also at this level at the end of December 2002.
- If we remove the seven revenue-driven companies from this calculation, then the median market cap for January 2003 drops to \$97 million (and the average becomes \$296 million). Six months ago, in August 2002, the median market capitalization was \$105 million.

- Thus, despite continued market volatility, one can argue that a market capitalization of about \$100 million might be the lowest limit of intrinsic value for the biotech sector as a whole.
- With such low valuations, an increasing number of companies are trading below cash. At the end of January 2003, 51 (or 22%) of the firms on our list had negative technology values, meaning that their cash, cash equivalents and marketable securities were worth more than their market caps.
- The list of companies trading below cash includes many of the biotech sector's former high-flyers -- [Human Genome Sciences](#) Inc., [Incyte Genomics](#) Inc., and [Celera Genomics](#) Group, for instance.
- In fact, investors continue to shun most companies in the once-beloved genomics sector. Stocks of the 1st generation genomics companies lost a median 71% of their value over the last 12 months and genomic targets firms saw their stocks drop by a median 76%. Genomic supply companies fared better, losing a median 49% over the last 12 months.
- Companies in the CNS group also witnessed a sharp drop in stock price between January 25, 2002 and January 31, 2003: These stocks lost a median 75% in value.
- Other groups that fell below the grand median loss in stock price of 54% included: cancer (-64%); delivery (-67%); gene therapy (-59%); infection (-60%); and screening (-63%).
- Raising capital has been tough in these hard economic times. At the end of January, about one-quarter of the companies in our universe had a survival index of less than one year.
- The average survival index for the entire group of 230 companies is now less than three years, down from 5 years six months ago. However, the average burn rate remains the same – about \$38 million on an annual basis.

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originally published 02/07/2003

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