

Fall 2011 Newsletter

Bay City Capital was established in 1997 for the purpose of managing investment funds in the life sciences industry. Since that date, the firm has managed seven venture funds representing \$1.6 billion in capital invested in over 90 companies worldwide. Our investment team has invested in a diverse group of life sciences companies, across all stages of the product lifecycle. Our portfolio includes companies focusing on biopharmaceuticals and drug discovery, as well as medical devices and diagnostics. Identified as opportunities based on our evaluation of market conditions and the overall competitive environment, our investments have ranged from seed investing to early, mid-, and late-stage, as well as select public investing.

The following is a summary of recent noteworthy events regarding our portfolio companies:

NEW INVESTMENTS



In January 2011, Bay City Capital co-led a Series C investment in Next Wave Pharmaceuticals, an emerging specialty pharmaceutical company that develops and commercializes unique products utilizing proprietary drug delivery technology. Next Wave focuses on the area of pediatric psychology.

INITIAL PUBLIC OFFERINGS



In February 2011, Epocrates, the #1 mobile medical application among physicians, raised \$86 million in a successful initial public offering, pricing above the range and then rising 37% to close at \$21.96/share on its first day of trading. Epocrates is now trading on the NASDAQ under ticker symbol EPOC.

MERGERS & ACQUISITIONS



In July 2011, Poniard Pharmaceuticals (NASDAQ: PARD) signed a definitive merger agreement with Allozyne. The merger transaction will bring together ALLOZYNE's autoimmune disease product pipeline and proprietary protein engineering platform and Poniard's oncology assets.

PARTNERSHIPS & COLLABORATIONS



In January 2011, MAP Pharmaceuticals (NASDAQ: MAPP) entered into a collaboration with Allergan for co-promotion of LEVADEX to neurologists and pain specialists within the United States. LEVADEX is an orally inhaled version of dihydroergotamine (DHE) for the treatment of migraine currently awaiting approval by the US FDA.



In January 2011, Epizyme signed a worldwide strategic alliance with GlaxoSmithKline (GSK) to discover, develop, and market novel small molecule therapeutics targeting histone methyltransferases (HMTs). Epizyme received a \$20 million upfront payment from GSK and is eligible to receive more than \$630 million in total milestone payments.

In March 2011, Epizyme entered into a worldwide partnership with Eisai Co. to discover, develop, and commercialize therapeutics targeting EZH2, an epigenetic enzyme, for the treatment of lymphoma and other cancers in genetically-defined patients. Epizyme received a \$6 million upfront payment from Eisai and may earn up to \$200 million in additional milestones.



In April 2011, Sunesis Pharmaceuticals (NASDAQ: SNSS) signed a license agreement with Millennium Pharmaceuticals for the development of Sunesis' oral, selective pan-Raf kinase inhibitor and one additional undisclosed kinase inhibitor program in oncology. Sunesis received a \$4M upfront payment from Millennium and is eligible to receive up to \$60M in additional milestone payments and royalties.

PRODUCT LAUNCHES

In January 2011, Cadence Pharmaceuticals (NASDAQ:CADX) launched OFIRMEV, a patent-protected IV formulation of acetaminophen for treatment of acute pain and fever. OFIRMEV is now available in hospitals across the United States. Management estimates that OFIRMEV will receive formulary approval in 1,300 to 1,500 hospitals across the US by YE11.



In January 2011, Neuro launched its spinal cord stimulation device for the treatment of chronic, intractable pain. The Neuro System is now available in select European countries.



In April 2011, Aviir opened its CLIA-certified laboratory located in Irvine, CA. Aviir is currently offering a test menu that includes all standard cardiometabolic laboratory tests. Aviir will also soon offer its proprietary test, the Aviir TruRisk Score, that measures inflammatory markers in a patient's blood to predict the risk of a heart attack in the next five years.



In July 2011, IDev Technologies, the maker of Supera, a self-expanding stent for the treatment of peripheral arterial stenosis, launched its 6 French size stent in Europe. The 6Fr size allows a smaller access site and multiple approach options when treating patients with PAD, which can be particularly important when treating stenoses or occlusions in the superficial femoral artery (SFA) and the popliteal artery.

CONTACT

Stacey M. Leños
Sr. Director, Marketing & Investor Relations
Bay City Capital LLC
750 Battery Street, Suite 400
San Francisco, CA 94111
(415) 835-9394 direct / (415) 837-0303 fax
stacey@baycitycapital.com