

European Funding

More Money for the Medium-Sized

Brussels forks out €400 million for collaborative development projects.

A new European funding and support programme specifically dedicated to SMEs (Small- and Medium-sized Enterprises) has been launched. "Eurostars" is managed by Eureka (a pan-European network for market-oriented, industrial research and development). The programme's purpose is to provide funding for market-oriented R&D. Eureka promises "a fast-track application procedure and research funding".

"SME" means "less than 250 workers and a turnover of less than 50 million euro annually". To be considered, the applicant SME must invest 10% of turnover or 10% of its full time equivalent effort into research. A Eurostars project can, "without any thematic restriction", address any technological area ("bottom up"), but must have a civilian purpose and be aimed at the development of a new product, process or service. In addition, such a project has to be collaborative, meaning it must involve at least two participants from



two different Eurostars participating countries. Academic institutions such as universities and research institutes can be part of such a consortium.

Subsequent application required

Eureka is setting a high value on celerity. A Eurostars project "must have a maximum duration of three years, and within two years of project completion, the product of the research should be ready for launch onto the market" (but note the word "should"). Exceptions to this rule are medical projects, where clinical trials must be started within two years of project completion.

tile dysfunction ("ED drugs" or PDE5 inhibitors) can possibly cause sudden hearing loss, sometimes accompanied by ringing in the ears and dizziness. In the majority of the reported 29 cases, the loss was permanent.

Now manufacturers are hurrying to revise their package inserts. In fact, Pfizer (who produces Viagra), Lilly (Cialis) and Bayer (Levitra) will fall over themselves to satisfy the FDA's demands: Pfizer alone earned €1.1 billion in 2006 from Viagra. In the same year its overall revenues from ED drugs reached €1.6 billion worldwide. The pharmaceutical companies won't put their profits at risk by being deaf to authorities' demands.

-WK-

Belgium / Norway

IPOs on the Way

Nanobody therapeutics developer Ablynx (Ghent, Belgium) is planning to go public on Euronext Brussels this year. The company's directors have not let on how much money Ablynx intends to bring in. The com-

The total amount of funding available is €400 million for the first six years (€100 million from the 7th EU Framework Programme plus €300 million from Eurostars-dedicated national budgets). A quirk is that the non-EU members Iceland, Israel, Norway, Switzerland and Turkey are Eurostars participants, although the EU members United Kingdom, Luxembourg and Slovakia aren't.

More on the Eurostars programme (guidelines, cut-off dates, etc.) at: www.eurostars-eureka.eu or by contacting the Eureka national project coordinator (NPC) at www.eureka.be/contacts.

The deadline for submitting applications is Friday 8th February 2008.

WINFRIED KOEPELLE

The World

Ringin' in the Ears

Splitting headache. Skin rashes. Impaired vision. Heartburn. Sickness. Blocked nose. And, how fitting, muscle pain and priapism. Given these possible side effects, life can be a bit unpleasant for Viagra users. In Octo-



Weird Viagra advertising in Vienna (roughly translated "This erection is brought to you by Pfizer").

ber the U.S. Food and Drug Administration (FDA) added another warning to the existing ones: Drugs for the treatment of erec-

pany, established in 2001 as a spin-off of the Flanders Interuniversity Institute for Biotechnology and the Free University of Brussels, has raised close to €70 million in venture funds to date. With their therapeutic proteins, based on single-domain antibody fragments, the Belgians have established a pipeline of a mere dozen preclinical and one phase I project (the lead product candidate, ALX-0081 is for the treatment and prevention of acute thrombosis). Despite this lean portfolio, there is one fact that potential stock purchasers should notice: Ablynx has research collaborations with Boehringer Ingelheim, Wyeth Pharmaceuticals, Novartis, and P&G Pharma.

Another IPO is being prepared by Norway's Pronova Biopharma (Oslo), aiming to take in €340 million at a minimum. This may sound over ambitious for a company that develops drugs based on Omega-3 fish oil. But the Vikings are profitable and fast-growing – and they claim that one of their products has blockbuster potential. Let's wait and see! The first listing is scheduled for Oct 11th.

-WK-



The Berlaymont building in Brussels, home to the headquarters of the European Commission. The Eurostars programme and its funding originated here

Europe

Stem Cell Syndicate

Three powerful European drugmakers are joining forces to launch a pressure group for the advancement of stem cell usage. Together with the British government, Glaxo-SmithKline, Astrazeneca and Roche have established the "Stem Cells for Safer Medicines (SC4SM)" network. This non-profit organisation aims to develop stem cells for the safety testing of new drugs.

All well and good, but their first project (SC4SM researchers are to create liver cells which will then be used to test new drugs for liver toxicity) raises questions. Why in the world are they searching for something that others found years ago? In fact, a Martinsried-based service provider for pharmaceutical and biotechnology companies offers – yes – predictive *in vitro* test strategies for unexpected liver toxicity.

A tip for all you dear SC4SM people: Just call Genpharmtox GmbH on +49-89-895559-0 and ask them for an offer! -WK-

France / USA

Mega Whopping?

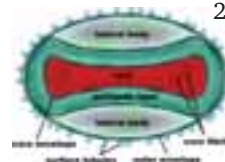
Gigantic is the next step up from huge: There are rumours afloat that Pfizer is planning a buyout of Sanofi-Aventis. Pfizer, the biggest pharmaceutical company in the world, earned €34 billion in 2006. Sanofi-Aventis is ranked 3rd, with sales of €28 billion. Both struggle with severe problems: Pfizer's profit collapsed after the unplanned depreciation of its flopped asthma drug Exubera – its second largest setback after the failure of a Phase III trial of its highly praised investigational cardiovascular drug Torcetrapib.

Sanofi-Aventis could be a nice compensation prize for Pfizer, with its 46 drug development projects in Phase IIb/III. However, the French have also had their Waterloos. In summer, the FDA decided not to approve Sanofi's much-lauded anti-obesity drug Zimulti. Additionally, Sanofi's blockbuster Plavix goes off patent in 2011. Thus, a merger of the U.S. Big Mac with the French Mega Whopper could turn out to be a belly-flop. -WK-

Danmark

Smallpox Pay Off

Danish vaccine manufacturer Bavarian Nordic has obtained a €35 million payment from the U.S. government for achieving milestones in its smallpox vaccine project. In



2004, the company from Copenhagen contracted to deliver 20 million doses of its Imvamune vaccine (in clinical phase II at the moment).

According to Bacanian Nordic, Imvamune does not generate the post-vaccination complications associated with traditional smallpox vaccines. The Danish firm expects to receive two further milestone payments of €18 million by the U.S. government, each in 2007. In October, the U.S. government extended the contract with Bavarian Nordic, bringing the firm additional funding of €10.5 million. Bavarian Nordic's revenue for 2006 was €23.5 million, with a loss of €27.5 million. -WK-

"Wow, yeah, you need money, now give me money..."*

Biotech Funding



Who received...	...what [€]...	...for which idea...	... when...	...from whom?
Transgene (Strasbourg/F)	87.0m	Immunotherapeutics.	06/2007	New shares (follow-on offering on Euronext)
Addex Pharmaceuticals(Geneva/CH)	82.6m	Treatment of CNS diseases with small molecules	05/2007	IPO
Pharming (Leiden/NED)	70.0m	Treatment of genetic disorders and ageing diseases	10/2007	Issue of convertible bonds
Ganymed Pharmaceuticals (Mainz, GER)	37.2m	Antibody therapeutics against solid cancer	09/2007	ATS Beteiligungsverwaltung (Munich).
Austrianova (Vienna/AUT)	35.0m	Novel drug delivery technology	06/2007	Funding round.
Cellerix (Madrid/ESP)	27.0m	Adult stem cell therapies	09/2007	Life Sciences Partners, Ventech <i>et al.</i>
Agendia (Amsterdam/NED)	25.0m	Molecular diagnostics	09/2007	ING bank
Pevion Biotech (Bern/CH)	22.0m	Virosome-based vaccines	08/2007	BZ Bank, BB Biotech Ventures II, <i>et al.</i>
Direvo (Cologne/GER)	12.0m	Optimization of biomolecules	10/2007	n.n.
Molecular Partners (Zuerich/CH)	11.3m	Therapeutic proteins	08/2007	Index Ventures, BB Biotech Ventures, <i>et al.</i>
Trophos (Marseille/FRA)	8.5m	Drugs for central nervous system diseases	09/2007	OTC Asset, CM-CIC Capital Privé, <i>et al.</i>
Photopharmica (Leeds/UK)	8.2m	Photosensitisers and light sources for medical use	05/2007	IP Group (London)
Pentraxin Therapeutics (London/UK)	5.6m	Treatment of hereditary transthyretin amyloidosis	10/2007	Wellcome Trust.
Proteros Biostructures (Martinsried/GER)	5.2m	Three-dimensional protein structure analysis	09/2007	BayBG (Munich) <i>et al.</i>
Lectus Therapeutics	4.3m	Potassium channel modulator drugs to treat MS	09/2007	Wellcome Trust (Seed. Drug Discovery Initiative).
deltaDOT (London/UK)	4.3m	Molecular imaging technologies	10/2007	FF&P Private Equity, Imperial Innovations, <i>et al.</i>
Novate Medical (Galway, IRE)	4.0m	Medical devices preventing clots reaching the lungs	09/2007	ACT Venture Cap., Seroba BioVent., <i>et al.</i>
Biofrontera (Leverkusen/GER)	3.1m	Treatment of skin and inflammation diseases	09/2007	n.n.
CellCentric (Cambridge/UK)	3.0m	Epigenetic-related target validation (small molecules)	10/2007	Morningside Venture Inv., Takeda Res.Inv. <i>et al.</i>
Enigma Diagnostics (Salisbury/UK)	3.0m	Automated system to diagnose flu infections.	10/2007	EU Framework Programme 7
Biocam (Regensburg/GER)	2.0m	Diagnosis of skin cancer.	09/2007	n.n.
Jurilab (Kuopio/FIN)	2.0m	Gene-disease associations (esp. hypertension)	10/2007	DSM Venturing
Ablynx (Ghent/Zwijnaarde,BEL)	1.9m	Discovery and development of nanobodies	09/2007	IWT Flanders
BioCis Pharma (Turku, FIN)	1.5m	Treatment of inflammatory skin conditions	09/2007	Finnish Ind. Inv.; Karolinska Development III
Kinaxo (GER)	1.0m	Quantification of drug interactions with proteins	07/2007	German Ministry for Education and Res. (BMBF)
Molecular Vision	0.7m	Handheld medical diagnostic devices	09/2007	Imperial Innovations Group.
Vastox (Abingdon/UK)	0.6m	Drugs targeting neurological disorders, cancer <i>et al.</i>	06/2007	Welsh Development Agency
EiRx Therapeutics (Cork, Ireland)	0.5m	Optimisation of tumour-targeting compounds	09/2007	Development agency Enterprise Ireland.
Summit Corporation (Abingdon/UK)	0.3m	Preclinical Duchenne muscular dystrophy	10/2007	Parent Project UK Muscular Dystrophy (PPUK).
Sentinel Oncology (Cambridge/UK)	0.3m	Small molecule inhibitors against solid tumours	05/2007	East of England Development Agency (EEDA)

*The Beatles (1963): Money (That's What I Want), composed 1959 by Janie Bradford and Berry Gordy.