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JP Morgan highlights fortunes of big and small

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By John Carroll

The annual JP Morgan conference in San Francisco helped underscore the dramatically different futures that face big pharma and biotech compared with the small developers operating in the field. Big outfits like Roche are still very much cash-rich. And even though some of the companies are facing the loss of patent protection down the road, drug markets are still generating lots of money.

Biotech developers who have for years depended on a steady flow of venture capital, though, are facing some tough choices as investors move to either conserve cash or drop out of drug development entirely. "The universe of venture investors is definitely shrinking," says Dr. David Collier, managing director of CMEA Ventures.

Attendees were also reportedly buzzing about the loss of Genentech as an independent developer--if Roche succeeds in its quest to complete the buyout of the big biotech company. Putting some positive spin on the buyout, BayBio's Matt Gardner says that a Roche takeover would funnel \$50 billion into the hands of shareholders, many of whom might like to put the money back to work at other biotech companies in need of the funds.