

Ophthalmics: A View of the Private Sector



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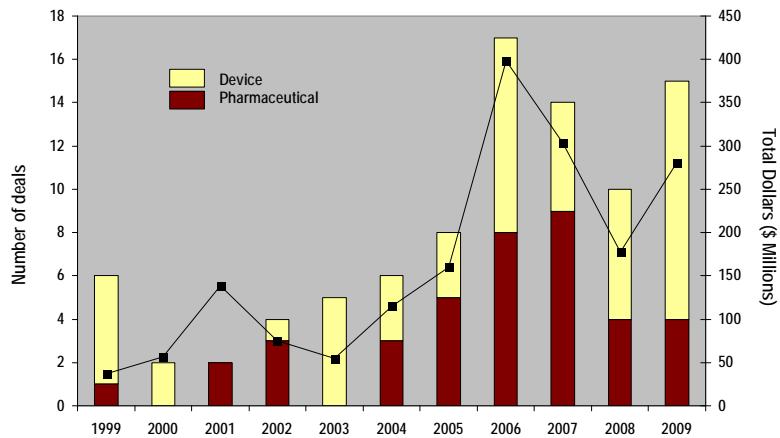
Most Active Ophthalmology Investors

- **Versant (15):** AcuFocus, Eyeonics, Foresight Newco IV, ForeSight Newco III, Foresight NewCo II, Glaukos, Intralase, Ocular Therapeutix, LenSx, NeoVista, NeuroTech Pharmaceutical, Refractec, Transcend Medical, 2 additional
- **SV Life Sciences (11):** AcuFocus, Aquesys, ESBATech, Eyetech Pharmaceuticals, Ocular Therapeutix, LenSx, Lux Biosciences, NeoVista, Neurotech Pharmaceutical, Ophthotech, PanOptica
- **Domain Ventures (7):** Alimera Sciences, CoDa Therapeutics, Glaukos, Intralase, Ophtherion, Oraya, Revision Optics
- **InterWest Partners (7):** Glaukos, Inspire Pharmaceuticals, Intralase, LenSx, MacuSight, Ophthonix, Revision Optics
- **Alloy Ventures(3):** MacuSight, OptiMedica, SynergEyes
- **Clarus Ventures (3):** ESBATech, SARcode, Taligen Therapeutics
- **DAG Ventures (3):** Ocular Therapeutix, Ophthonix, OptiMedica
- **De Novo Ventures (3):** iScience, SynergEyes, VitreoRetinal Technologies
- **Johnson & Johnson Development Corporation (3):** iScience, Ophtherion, Othera
- **Polaris Venture Partners (3):** Alimera Sciences, Arsenal Medical, Ocular Therapeutix
- **Three Arch Partners (3):** iScience, Visiogen, Vision Care Ophthalmic Technologies

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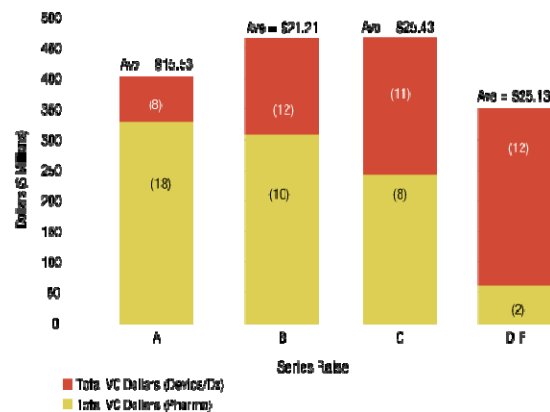
Total Venture Investment in Ophthalmology (1999 – 2009)



Source: Elsevier's *Strategic Transactions*

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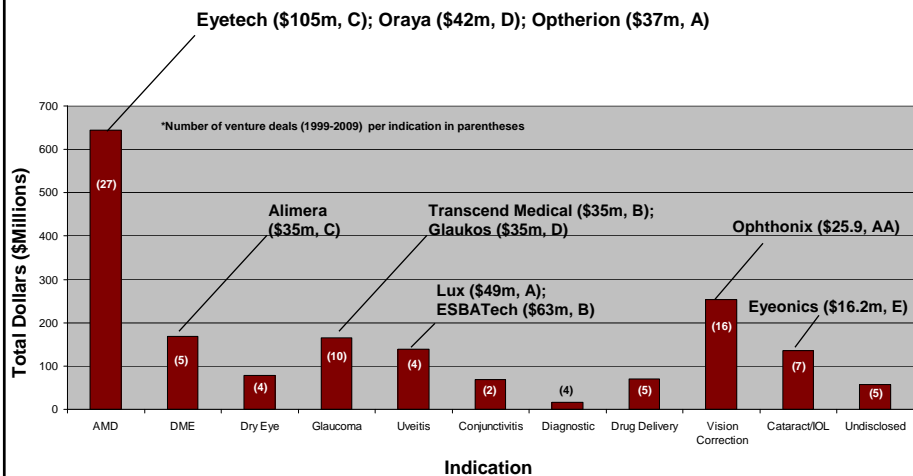
Investment By Series Raise (1999 – 2009)



Source: Elsevier's *Strategic Transactions*. (Number of companies per series)

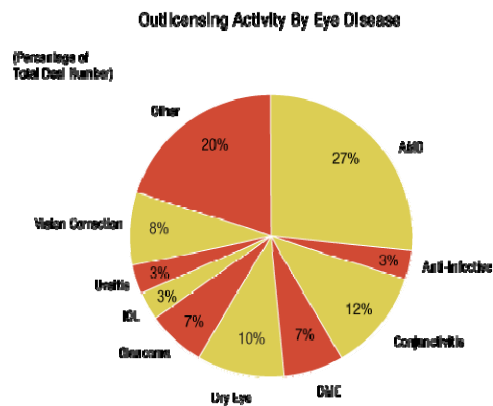
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Venture Investment by Specific Indication



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Private company ophthalmology alliances



Source: Elsevier's Strategic Transactions

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Notable Exits (Pharma)

- **Fovea/Sanofi-Aventis (2009)**
 - \$538m (earn-out deal w/ unknown upfront)
 - Estimated 3-4x return for VC backers (Abingworth, Wellcome Trust, Credit Agricole Private Equity, etc.)
- **ESBATEch/Alcon (2009)**
 - \$589m (\$150 million upfront)
 - 2x return on u/f money for series B investors (SVLS, Clarus, HBM) 9x return if earn-outs realized
- **Eyetech Pharmaceuticals (2004)**
 - IPO nets \$146 million
 - OSI purchases in '05 for nearly \$900 million
- **Oculex Pharmaceuticals/Allergan (2003)**
 - \$ 230 million cash
 - 4.6x return (Perseus-Soros, Bay City, Granite Global)

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Notable Exits (Device)

- **Visiogen/Abbott (2009)**
 - \$400 million cash
 - 5x return for VCs (Three Arch, New Leaf Partners, Novartis Venture Fund, etc.)
 - Abbott a potentially aggressive new acquirer?
- **Eyeonics/Bausch & Lomb (2008)**
 - Undisclosed amount
 - Rejuvenated B&L
- **Intralase (2004)**
 - IPO nets \$87 million
 - Advanced Medical Optics pays \$808 million(2007)

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A Trend With Legs?

- **Ophtho long been “hot” market for VCs**
 - Demographics
 - High unmet medical need
 - Mix of self-pay and reimbursed procedures/products
- **Number of players in space increasing**
 - On device side, Abbott and B&L increasingly active
 - Novartis/Alcon
 - Sanofi/Fovea deal makes biotech the big pharma’s eyes
- **A land-grab for capabilities?**
 - Will recent deal-making continue?
 - If so, increased pressure on companies to lock up technology/IP? (Especially large molecule space)
 - GSK, Merck, Pfizer, Novartis?

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Future Models of Company Creation?

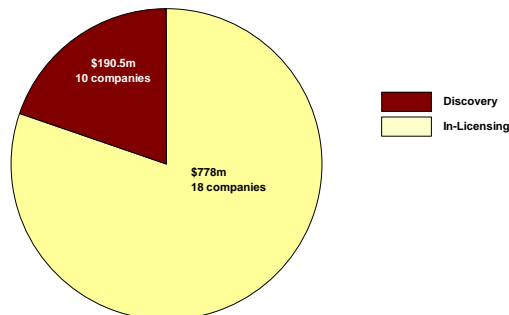
Discovery or In-licensing?

Discovery

- Ophtherion
- Aerie

In-licensing

- Fovea
- Lux
- Ophthotech
- Sirion
- PanOptica



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