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## Biotechnology funding breaks loose

### Life-science companies rushing to boost depleted cash reserves



MILSTEIN: "It's different for everybody."

BY DANIEL S. LEVINE  
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The financial drought that has kept biotechnology companies thirsting for financing appears to be over.

The latest evidence of this can be seen in a spate of deals announced this month. Action in the Bay Area includes:

■ Novato-based BioMarin Pharmaceut-

ical Inc. announced a \$125 million private placement of convertible notes.

■ South San Francisco-based Exelixis Inc. plans to sell up to 11.5 million shares of its common stock under a shelf registration that could raise as much as \$95 million at current prices.

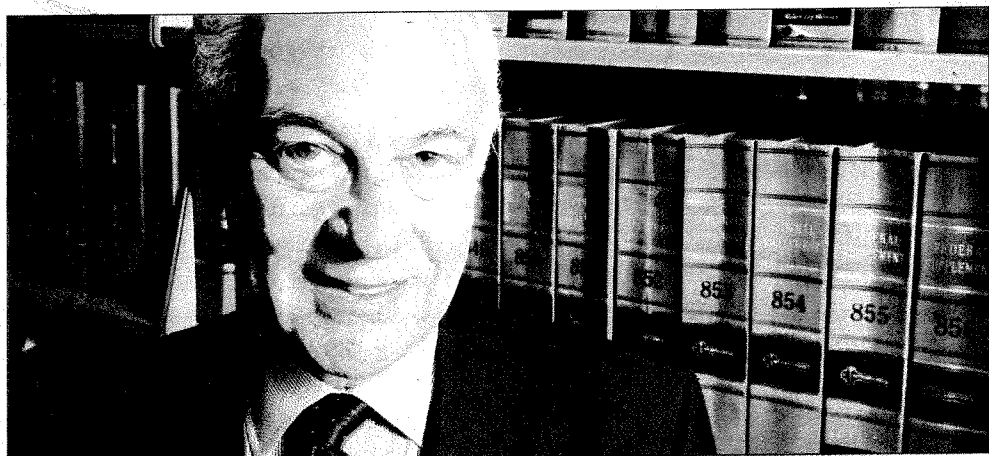
■ Palo Alto-based CV Therapeutics Inc. initiated a \$100 million private placement of senior subordinated convertible

debentures.

■ Richmond-based Onyx Pharmaceuticals Inc. launched a shelf registration to periodically sell up to \$75 million worth of common stock.

Other biotechnology companies outside the Bay Area announced more than \$1 billion in financings between June 6 and June 17 alone.

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MOFO'S MANN: Clients "are more serious about looking at acquiring today than at any time in the past two years."

## Lawyers: Hooray for M&A

Activity heats up, but will it last?

BY ERIC YOUNG  
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A handful of Bay Area corporate law firms have begun to see business pick up in one of their most lucrative areas: mergers and acquisitions. And with the recent stock market run-up and improving economy, other law firms expect to follow.

"There's no question we're seeing an uptick in M&A activity," said Rick Climan, head of mergers and acquisitions at Palo Alto's Cooley Godward LLP. "Our deal flow has increased significantly since the end of the first quarter. There are more deals in the pipeline, and the average size of the deals we're handling has grown as well."

The overall number of M&A deals contin-

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## Blue Shield muscles up for CalPERS

BY MEG WALKER  
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San Francisco-based Blue Shield has become the largest HMO contractor with the state retirement system. But even as it is poised to begin a new three-year contract with the massive system, the challenges to keep costs down and quality high are mounting.

The HMO has added about 360,000 new members this year from its contract with the California Public Employees' Retirement System. That represents an almost 400 percent growth from its previous total of about 100,000 CalPERS members. To handle the influx, the HMO has added about 300 jobs — mostly claims and customer service jobs —



'Blue Shield is in excellent financial health.'

Paul Markovitch  
Blue Shield executive

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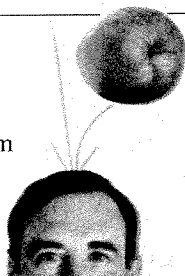
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