



## MEDIA RELEASE

**Sydney, 13<sup>th</sup> November 2009**

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### Start-up Australia Ventures wins “Private Equity Exit of the Year” In the Australian Financial Review’s *CFO Awards 2009*

Start-up Australia Ventures Pty Ltd today announced that it won “Private Equity Exit of the Year” in the Australian Financial Review’s *CFO Awards 2009*.

This award was for the exit from EvoGenix following merger with Arana Therapeutics then acquisition by US pharmaceutical company Cephalon, Inc.

George Jessup, Managing Director commented:

“This result demonstrates the substantial value that can be created from selectively investing in world leading technologies for attractive global pharmaceutical markets. We invested in EvoGenix at start-up and it later merged with Arana Therapeutics. Arana rapidly progressed to be a significant player in the human therapeutic antibody market. Despite the difficult economic times, Cephalon was prepared to pay a significant premium to acquire the company.”

The other finalists in the “Private Equity Exit of the Year” category of the awards were:

- Anchorage Capital Partners for its exit from Golden Circle
- Investec Wentworth Private Equity for its exit from Perkins Group Holdings

## **BACKGROUND INFORMATION**

### **EvoGenix Pty Limited – Investment Summary**

EvoGenix Pty Ltd was formed by Start-up Australia in August 2001 to commercialise technology developed by the Cooperative Research Centre for Diagnostics and the CSIRO. The technology (later named EvoGene™) is a powerful method of improving the properties of proteins, particularly antibodies. The investment proposition was that the genomics and proteomics revolution would produce an explosion of therapeutic targets appropriate for antibodies. The antibody sector of the pharmaceutical industry has subsequently undergone rapid growth and is now the fastest growing sector of the industry.

EvoGenix made rapid progress in developing its antibody optimisation technology into a commercially robust platform for improving the properties of high value therapeutic antibodies.

In April 2005, EvoGenix acquired Absalus, Inc. Absalus was a private Californian company with an antibody humanisation technology. This acquisition was a critical step in developing a major player in antibodies. Research antibodies are usually from mice and need to be made into human antibodies for use as therapeutic drugs. This process is heavily protected by patent barriers and the Absalus technology provided a superior method of humanisation which is clear of patent barriers. This acquisition enabled EvoGenix to create an integrated suite of technologies to humanise and optimise antibodies.

EvoGenix successfully completed an initial public offering on the ASX in August 2005 at a price of \$0.25. This was followed by the merger with ASX listed Arana Therapeutics Limited in August 2007. The value of this merger to EvoGenix shareholders was a cash and scrip offer at a value per EvoGenix share of \$0.77. Start-up Australia was the largest shareholder in EvoGenix prior to the merger and the largest shareholder in Arana Therapeutics immediately following the merger.

Start-up Australia sold most of its shares in Arana Therapeutics to Cephalon, a US based pharmaceutical company, at \$1.40 per share on 25/2/09 immediately prior to Cephalon mounting an off market takeover offer for all the shares in Arana Therapeutics. This was a crucial step as Cephalon were not prepared to make a takeover offer without this initial stake. We sold the remaining shares into the takeover offer.

Cephalon announced an off market takeover bid for Arana Therapeutics on 27/2/2009. The price was \$1.40 plus a further \$0.05 was to be paid once 90% acceptances were received. This represented a 75% premium to the 90 day average share price before the offer.

Cephalon announced on 25/6/2009 the close of the offer and that it had acquired 93.99% of the shares in Arana Therapeutics and had moved to compulsory acquisition of the remaining shares.

Cash returned from the investment was \$6.36 million from the merger of EvoGenix with Arana Therapeutics and \$30.17 million from the acquisition of Arana Therapeutics by Cephalon. The total cash return was thus \$36.53 million with an IRR of 39.2% and a cash return multiple of 6.4 times cash invested.

### **About Start-up Australia Ventures Pty Ltd**

Start-up Australia is a venture capital investor focussed on life science companies. The investment performance of Start-up Australia is in the top quartile of returns based on global benchmarking.

Start-up Australia currently manages a \$39.2 million fund for institutional clients and has made 9 investments in this fund. It currently holds investments in 2 ASX listed companies and 3 private companies. The ASX listed companies are: Bionomics Limited (ASX:BNO) and Alchemia Limited (ASX:ACL).

### **About the CFO Awards**

The *CFO Awards* recognise the achievements of the very best in Australian Finance over the last 12 months. They acknowledge not only the Chief Financial Officers and their teams but also the treasury teams, bankers, lawyers, consultants and strategists who ensured that the deals took place. A team of researchers work to take soundings from the market to indentify the winners, as well as relying on submissions. The winners are announced at an Awards lunch hosted in Sydney and are recognised in a CFO special edition in December. The Awards issue of the magazine and the event are the flagships for *CFO Magazine*.

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#### FURTHER INFORMATION:

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