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EDA-Supported Garden State Life Sciences Venture Fund Leverages over \$90 million in Total Investments for NJ Companies

TRENTON, N.J. (October 21, 2005) – Investments made by the New Jersey Economic Development Authority (EDA) in the Garden State Life Sciences Venture Fund (“Venture Fund”) have leveraged nearly \$91 million in co-investments in New Jersey companies to date, according to fund manager Quaker BioVentures.

“New Jersey’s strategic investments in economic growth initiatives such like the Garden State Life Sciences Venture Fund are having a positive, dramatic impact on the economy by leveraging private resources,” said Acting Governor Richard J. Codey. “These figures demonstrate that our state’s ongoing commitment to supporting the life sciences has attracted significant interest and funding from the venture community in order to grow jobs and support innovation in New Jersey. “Combined with our pioneering efforts on stem cell research, our seed capital investments offer real promise for the development of medical breakthroughs right here in New Jersey.”

Caren Franzini, EDA Chief Executive Officer, said “Under the investment strategies of Quaker BioVentures, the Garden State Life Sciences Venture Fund is truly serving as a catalyst to spur other investors to support worthwhile New Jersey companies. Every dollar invested to date from the Venture Fund has attracted \$22 in co-investment.”

To date, two companies– Amicus Therapeutics and Celator Pharmaceuticals – have benefited from the Venture Fund and its co-investments. Specifically, \$4.1 million has been invested from EDA’s initial commitment of \$10 million to the Venture Fund and \$91 million has been invested from Quaker BioVentures’ main fund and other top venture capital firms, for a total of \$95.1 million. The investments have also helped to create or maintain 50 jobs.

In 2004, the EDA entered into a 10-year limited partnership agreement with Quaker BioVentures to create and manage the Venture Fund to make investments in emerging life sciences companies in New Jersey. EDA’s \$10 million commitment was capitalized through residual monies generated through the Business Employment Incentive Program (BEIP). The EDA is authorized to use residual monies from the program for investments in economic growth initiatives.

Treasurer John E. McCormac, who worked closely with the life sciences business community to establish the Venture Fund, said, “The Garden State Life Sciences Venture Fund's leveraging success is yet another example of how New Jersey's investments are growing our businesses and strengthening our economy. Earlier this week, an independent study on BEIP found that every State dollar invested in job creation generates about \$4 in additional tax

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revenue annually to the State. The investment returns announced today were made possible by the enhancements we built into the BEIP program two years ago, and the dividends already exceed expectations.”

Sherrill Neff of Quaker BioVentures notes that “behind our lead or co-lead investment, we have attracted many of the nation’s top tier life sciences venture funds as co-investors, which validates our central thesis that New Jersey and its surrounding region represents an extraordinary investment opportunity in life sciences. Focused venture capital leadership can and will catalyze a robust flow of capital into the region.”

In September 2005, Amicus Therapeutics, a biopharmaceutical company developing small-molecule, orally-active pharmacological chaperones for the treatment of human genetic diseases, closed a \$55 million Series C financing, lead by Quaker BioVentures. Amicus intends to use the proceeds to advance its drug pipeline based on the company's unique technology that has the potential to transform the treatment of human genetic diseases. Quaker BioVentures was joined by existing investors Canaan Partners, CHL Medical Partners, Frazier Healthcare Ventures, New Enterprise Associates, Prospect Venture Partners and Radius Ventures. Palo Alto Investors also joined the Garden State Life Sciences Venture Fund as a new investor.

In May 2005, Celator Pharmaceuticals, Inc., a privately held North American biopharmaceutical company, closed a \$40 million (U.S.) round of private equity financing with participation from the Garden State Life Sciences Venture Fund. The financing will support Celator’s expanding research and product development efforts targeting new combination chemotherapies to treat different forms of cancer. The financing includes first-time investments from Quaker BioVentures main fund, Domain Associates and TL Ventures, as well as continuing support from previous investors Ventures West, Growthworks Capital, and the Business Development Bank of Canada.

Investment in venture funds is but one way the EDA supports the technology and life sciences industry. Through its newly-launched *Technium* initiative, the EDA encourages the location and growth of technology and life sciences companies and jobs in New Jersey by providing a continuum of customized, streamlined, long-term support as businesses advance through their life cycle of growth.

In addition to providing access to venture funding, *Technium* encompasses a variety of financing options, including angel guarantees, low-interest loans, tax incentives and grants for job creation. The initiative also includes technical assistance and mentoring services, as well as real estate opportunities throughout New Jersey that serve the needs of start-ups, emerging and established companies.

The EDA was established in 1974 to promote economic growth and create jobs. It has arranged more than \$16 billion in financing since its inception. More information about all of EDA’s initiatives, including *Technium*, can be accessed at www.njeda.com.

About Quaker BioVentures

Quaker BioVentures is a \$280 million venture capital firm dedicated to investing in life science companies located in the Mid-Atlantic region. The firm leads investments in companies across the spectrum of the life science industry, including biopharmaceuticals, medical devices, human diagnostics, health information technology, and healthcare services. Quaker BioVentures invests in companies at varying stages of development, from early stage businesses to public companies. For more information, please visit: www.quakerbio.com.

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