

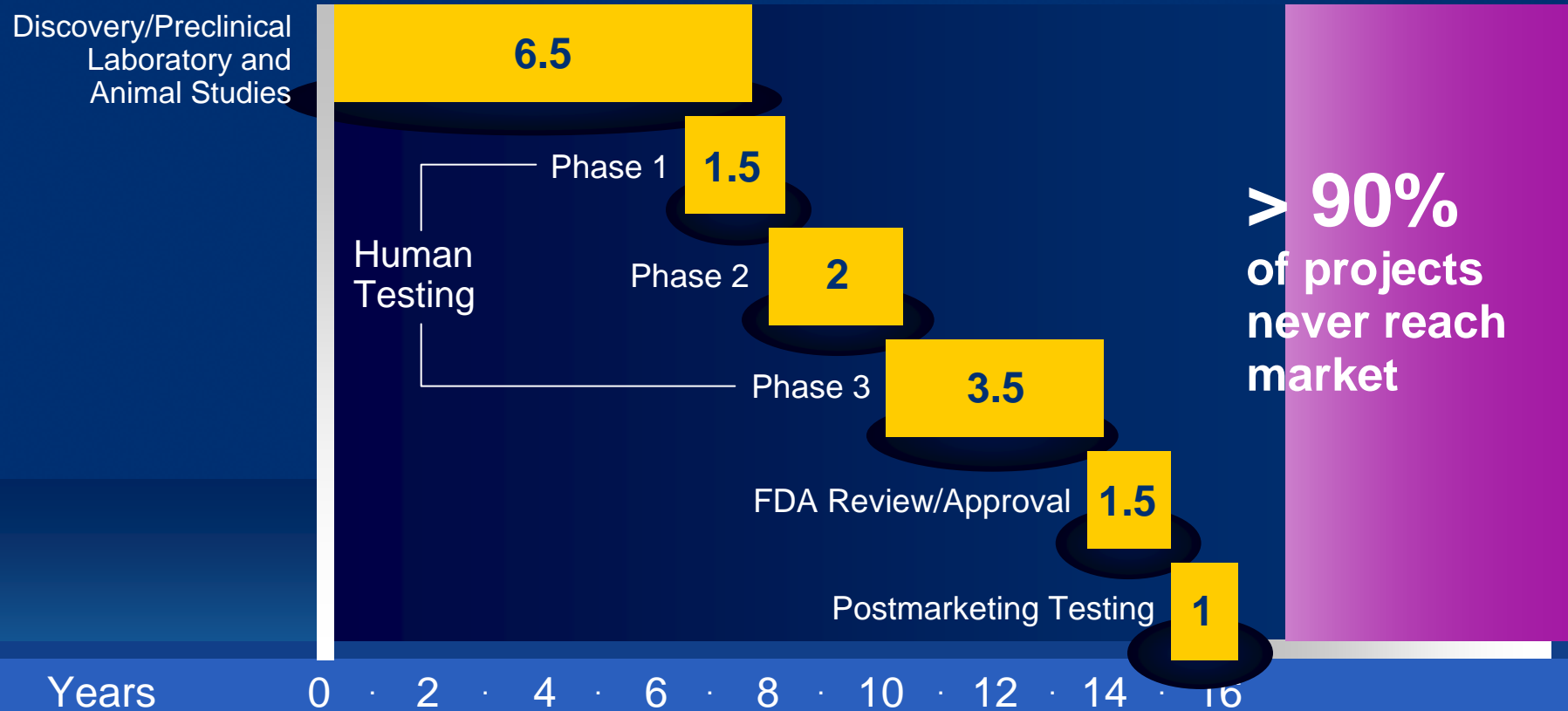


# Discussion on Role of Venture Capital in Biotech

June 28, 2007

# The Drug Development Process Can Take More Than 15 Years and \$1 Billion

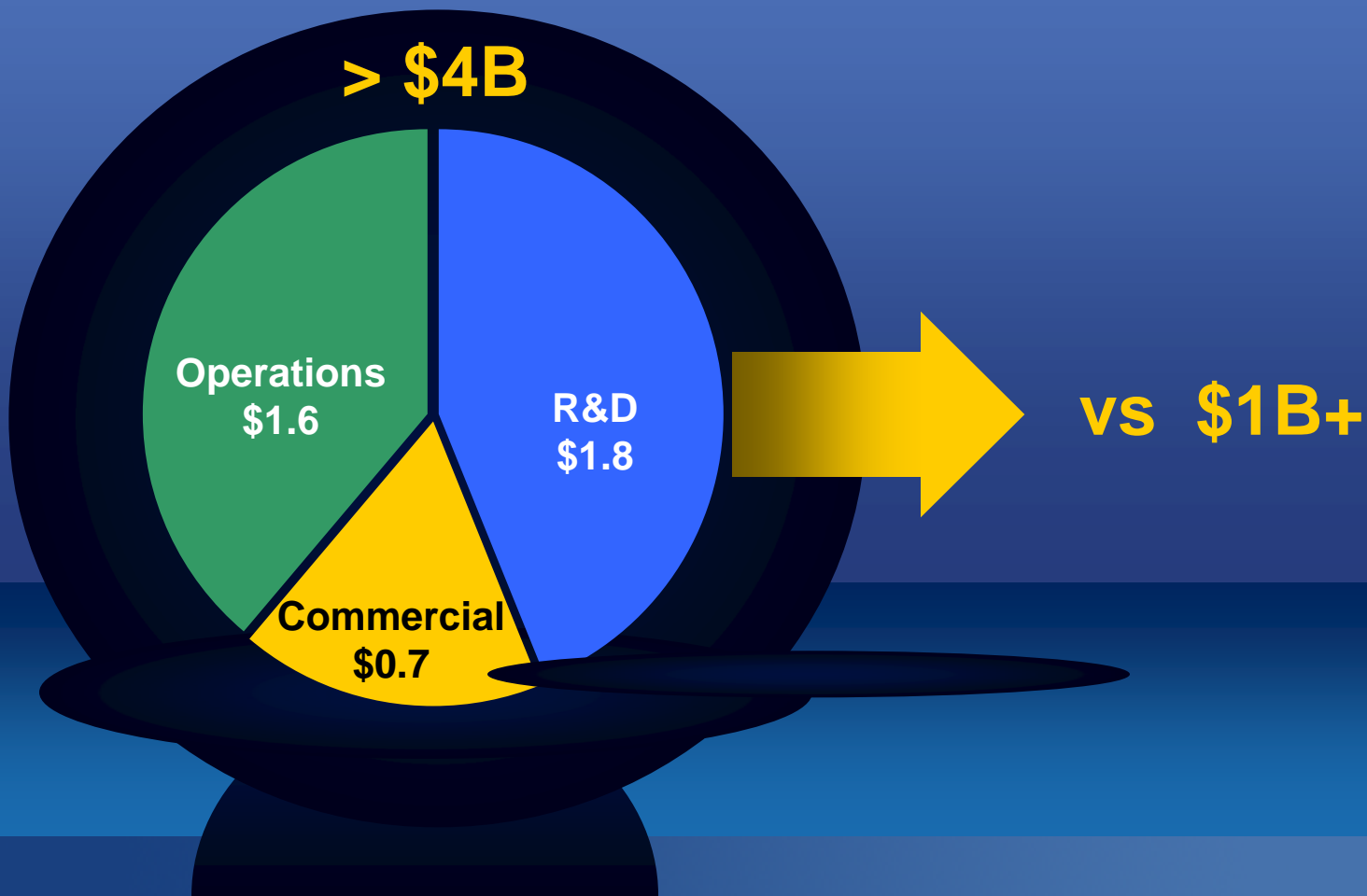
## Typical drug development timeline



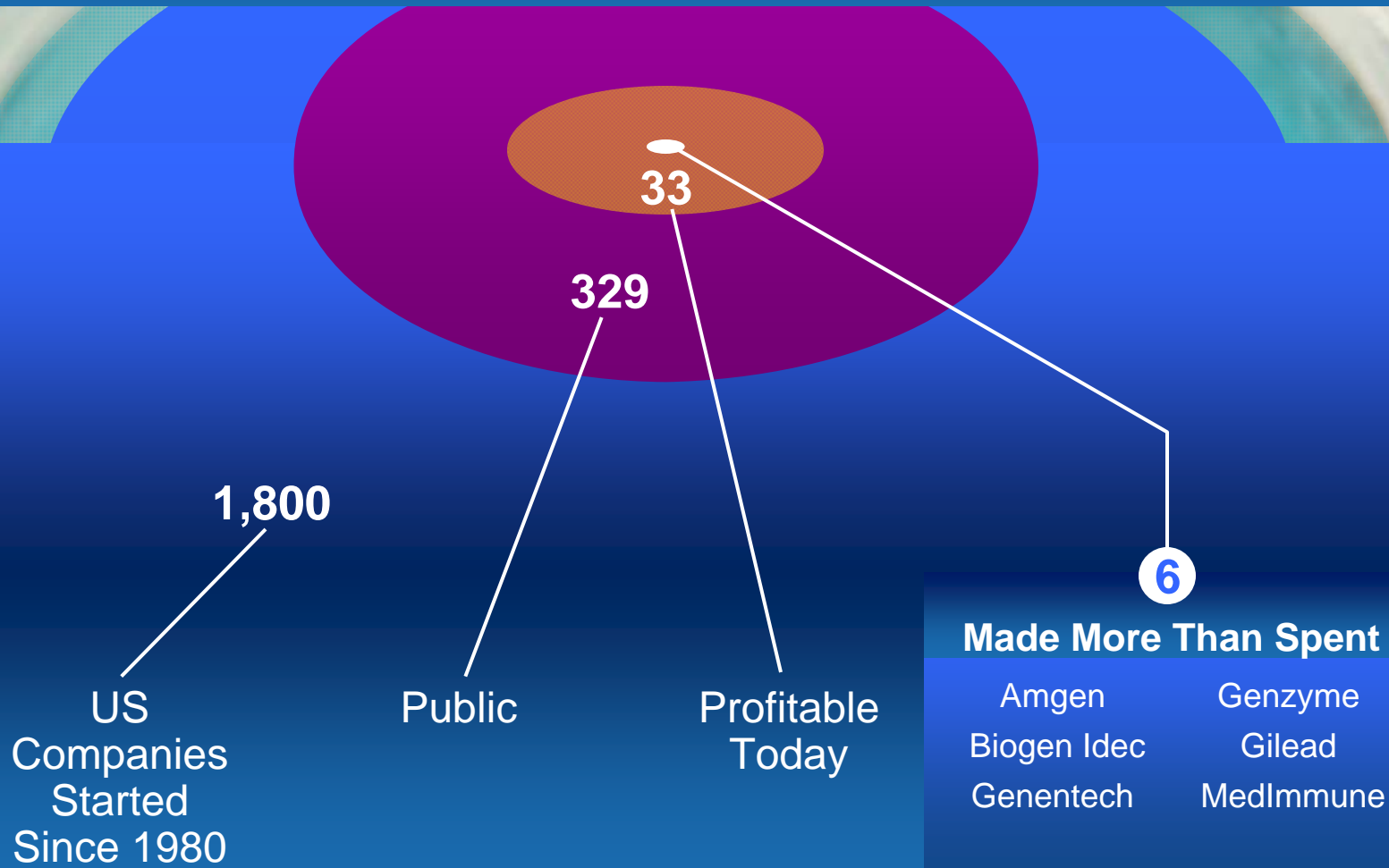
# \$1B+ per Drug Gets Questioned Frequently – It Shouldn't

Denosumab

Average per Drug



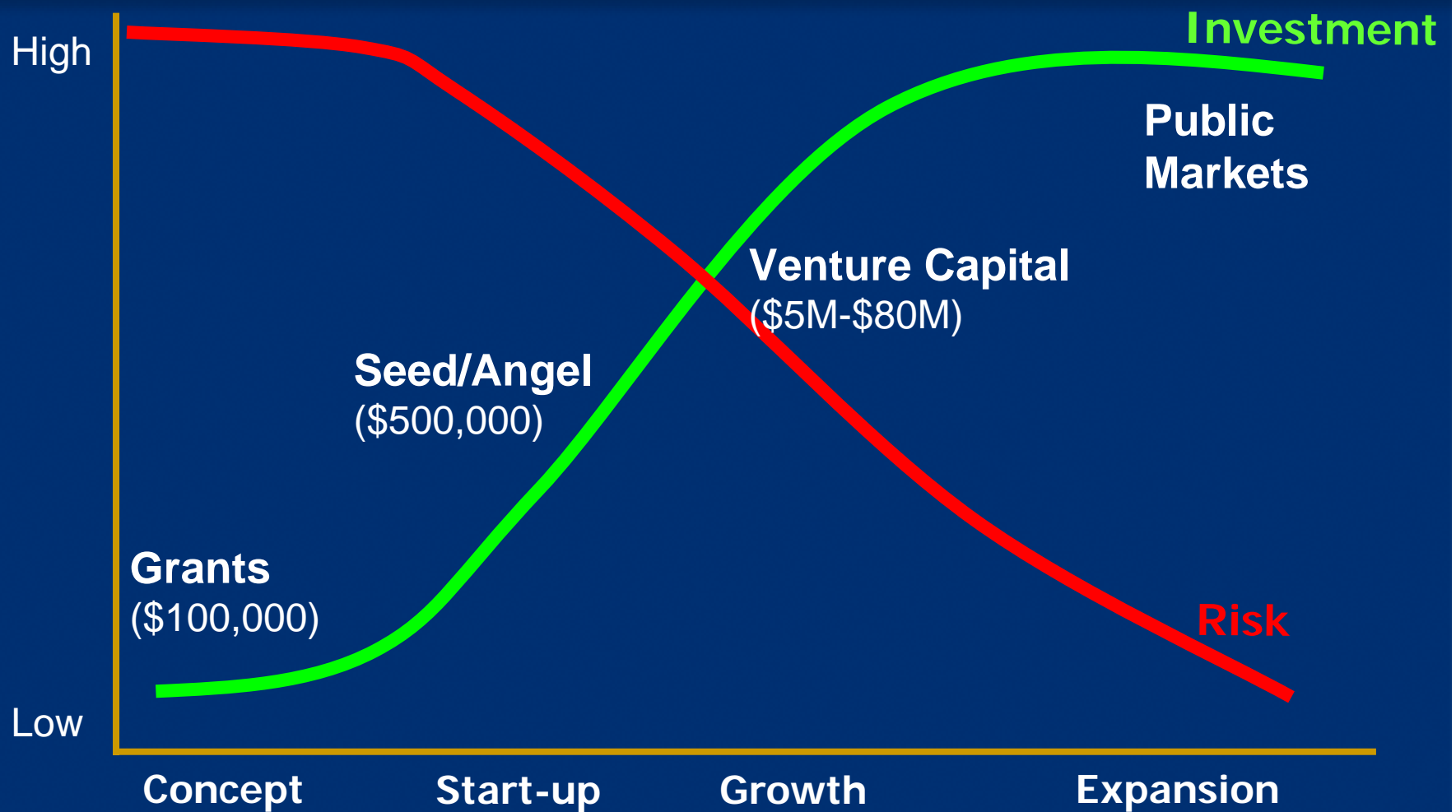
# It's a Miracle the Biotech Industry Exists



# This Picture Raises Some Interesting Questions

- Why would anyone invest in Biotech?
- How secure is the funding for innovation?
- What role can/should companies like Amgen play in the industry?

# The Financing Life Cycle



# How Does Venture Work?

**VC raise a “Fund”**



**Fund: Cash from Limited Partners (LPs)**  
(VCs get ~2% Management Fee)



**VCs make investments in a number of companies**



**Companies reach liquidity and VCs cash out**



**Provide a return to LPs**  
(keep a little for themselves)

# Amgen Ventures was Created to Invest in Promising Early Stage Biotechs

- Purpose: To seed future business development for Amgen's pipeline growth
- Strategy: Establish a \$100M fund to invest in 15-20 companies over next four years
- Advantages:
  - Gain insight into emerging technologies, products and markets
  - Position Amgen for future collaboration and deals
  - Unlock Balance Sheet dollars
  - Be competitive