

## BIOPHARMA NEWS DIGEST

### Triumphal Return of “Haigui”: IPO of Wuxi PharmaTech in US

The spectacular initial public offering (IPO) of WuXi PharmaTech (Cayman) Inc. at the New York Stock Exchange (NYSE) on August 9, 2007 has been the topic of hot discussions in both the pharmaceutical and the financial worlds. The successful IPO was another major milestone in the still developing story of the company. Wuxi PharmaTech is no stranger to our readers, as its story was created by one of our own and we have had close associations through activities organized by our CABS organization and through business relation at the organizations we are serving, it is worthy of taking another close look at the astonishing story at this juncture.

Wuxi PharmaTech was founded in December 2000 in Shanghai, China, by Ge Li and his business partners. Ge Li, who has been serving as Chairman of the Board and Chief Executive Officer, graduated from Peking University and obtained his Ph.D. in organic chemistry from Columbia University. He was one of the founding scientists of Pharmacopeia, Inc. one of world's pioneering companies in the field of combinatorial chemistry based in Princeton, New Jersey. Dr. Li returned to China after spending twelve years in the United States and established Wuxi PharmaTech., initially focusing on producing libraries of drug-like compounds for screening against various biological targets and building blocks that were attractive to pharmaceutical companies to generate targeted compound libraries of their own. The company's business continues evolving based on the changing business demands and the building up of infrastructure and capacity. But at all stages of the company's growth, Dr. Li paid special attention to quality and reputation by assembling a high-caliber and dedicated management & scientific team that is well-versed in western techniques and styles. One notable example was the recruitment of Shuhui Chen as its Chief Scientific Officer in 2004 from Eli Lilly and Company. Dr. Chen has built a very successful career in the pharmaceutical industries as a medicinal chemist after obtaining his



WuXi PharmaTech (Cayman) Inc. Announces Closing Of Initial Public Offering

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WuXi PharmaTech (Cayman) Inc. announced the closing of its initial public offering of 15,167,326 American Depositary Shares (ADSs), including 1,978,347 ADSs issued in connection with the exercise of the over-allotment option in full. The Company's ADSs commenced trading on the New York Stock Exchange on August 9, 2007 under the symbol 'WX'. Credit Suisse Securities (USA) LLC and J.P. Morgan Securities Inc. acted as lead underwriters and joint book-runners and Jefferies & Company, Inc. acted as a co-manager in the offering.



**About: Dr. Ge Li**

Dr. Ge Li has served as WuXi PharmaTech (Cayman) Inc's Chief Executive Officer since inception and Chairman since early 2004. Before forming Wuxi PharmaTech, Dr. Li was one of the founding scientists of Pharmacopeia, Inc., a Nasdaq listed company based in Princeton, New Jersey. Dr. Li received a bachelor's degree in chemistry from Peking University, and a master's degree and a Ph.D. in organic chemistry from Columbia University.

Ph.D. in organic chemistry from Yale University. Led by a business-savvy and western-trained management team, WuXi PharmaTech continues strengthening itself by attracting many strong professionals from home and abroad.

In the short seven years, Wuxi PharmaTech has established itself as the preferred choice of CROs in the pharmaceutical and biotech sector. While its core business initially was in the areas of providing synthetic chemistry support in the lead discovery and lead optimization segment of the drug discovery process, the chemistry services has expanded all the way to process R&D and bulk manufacture of active pharmaceutical ingredients. As the trend of outsourcing to the East continues under the pressure of increasing cost and time efficiency, Wuxi PharmaTech has broadened its business to meet the demands of its global partners. This year, WuXi PharmaTech is also expanding its outsourcing to include animal testing, where not only are cost differentials pronounced, but a more permissive ethical climate exists as Shanghai, at this stage, is beyond the reach of animal rights groups. Today its operations are grouped into two segments: laboratory services, consisting of discovery chemistry, service biology, analytical, pharmaceutical development and process development services, and research manufacturing, focusing on manufacturing of advanced intermediates and active pharmaceutical ingredients for R&D use.

The trend of outsourcing and to China continues trending up. The growing opportunity also brings fierce competition. To stay ahead, the company has recognized that it is essential to win the trust and confidence of its customers particularly in the areas of service quality and high regard for intellectual property protection. Today, they have been doing well. In addition to being recognized by its many global partners as evidenced by the awards and expanding business, Wuxi PharmaTech has been recognized by the entire business world, including being named one of the top 103 National Innovative Companies awarded by the Ministry of Science and Technology. The company has been among the Deloitte Technology Fast 500 Asia Pacific competition three consecutive years since 2003 and voted one of Red Herring Asia 100 private enterprises in 2005. Wuxi PharmaTech has produced spectacular growth over its short history. The rapid revenue growth and world-class reputation are without doubt contributing to the build up of its high valuation. Based on what was disclosed in the company's financial picture in the prospectus, given the story behind the company and investors' large appetites for all things Chinese – the need for biopharma to outsource its early discovery operations at low cost – Wuxi PharmaTech (WX) is a compelling story of investment.

## About Wuxi PharmaTechs

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Founded in December 2000 and based in Shanghai, WuXi PharmaTech is the leading China-based pharmaceutical and biotechnology R&D outsourcing company. As a research-driven and customer-focused company, WuXi PharmaTech offers global pharmaceutical and biotechnology companies a broad and integrated portfolio of laboratory and manufacturing services ranging from discovery chemistry to biological services and manufacturing of APIs for R&D use.

WuXi PharmaTech assists its global partners in shortening the cycle and lowering the cost of drug discovery and development by providing cost-effective and efficient outsourcing solutions. Our management team consists of Western-trained Ph.D.s and MBAs with experience in drug R&D methodologies and Western-style business practices. Collectively, our senior management has more than 100 patents pending or granted, published more than 500 publications and has an average of 10 years of experience working in major international pharmaceutical and biotechnology companies.

With over 1,300 scientific staff members, a 630,000 sq. ft. Shanghai Waigaoqiao Free Trade Zone research facility, a 220,000 sq. ft. cGMP-quality manufacturing plant in Jinshan District, Shanghai, and a new 130,000 sq. ft. Tianjin research facility, WuXi PharmaTech is well-positioned to offer its customers high quality services along the drug discovery value chain. In 2006, WuXi PharmaTech's customers included 9 of the top 10 pharmaceutical companies in the world, as measured by 2006 total revenues.

