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• **PowderMed Spins Out Of Chiron With \$34.5 Million Series A**

By Estee Pierce

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A year after big biotech Chiron Corp. acquired PowderJect Pharmaceuticals PLC for about \$900 million, several members of the British vaccine company's management team have banded together to form PowderMed, a start-up that will focus on the development of new therapeutic DNA vaccines. With its launch, PowderMed has attracted GBP20 million (\$34.5 million) in Series A financing.

Schroder Ventures Life Sciences led the investment, with participation from Abingworth Management Ltd., Advent Venture Partners and Oxford Bioscience Partners. Chiron Vaccines retains a minority equity stake in the firm.

Clive Dix, chief executive of PowderMed and former head of research and development at PowderJect, led the management spin out, which grants the start-up all rights to the vaccine applications of PowderJect's DNA powder mediated epidermal drug delivery, or PMED, technology.

The deal also includes all related therapeutic DNA vaccine programs, including preclinical development projects targeting genital herpes, hepatitis B, genital warts, HIV/AIDS and lung cancer. "It's the whole back end, really," Dix said.

Noting that PowderJect's key product, a top-selling flu vaccine that remains with Chiron, was Chiron's "main reason for buying the company," Dix said that he asked Chiron's senior management if they would consider the spinout last August, "and once they had considered it would they make us an offer." By late September, Dix said, he was on the road looking for funding.

PowderMed closed the investment last week, and starts operations in purpose-designed development facilities in Oxford, England, which it takes over from Chiron Vaccines. As part of the deal, Chiron will transfer the lease on the Oxford facilities to PowderMed as well as a number of scientists located at the site. The company employs more than 30 people, including previous PowderJect staffers as well as new personnel.

The start-up will look to bring five new therapeutic vaccines, each using the proprietary PowderJect powder injection technology, into clinical development within the next two years. In the meantime, PowderMed will seek development and commercialization partnerships to take advantage of the technology in the fields of virology, oncology and allergy.

<http://www.powdermed.com>