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Bioscience Group Identifies Trends for 2009

SAN FRANCISCO, Jan 14, 2009 (BUSINESS WIRE) -- BayBio released today the flagship industry study, BayBio: IMPACT 2009, providing a broad overview of the impressive accomplishments and enormous potential of California's life sciences industry - the most productive life science research cluster in the world. The report identifies 210 pending treatments, technologies and cures that represent more than \$50 billion in investments for new jobs, facilities and equipment in the immediate future. The report challenges California's leadership to pledge support for the life sciences community through legislation, regulation and support for state-level investment, particularly those which support science education.

"We need California to get its priorities right," said Matt Gardner, president and CEO of BayBio. "Promoting investment in the innovation economy is rightfully a main concern, but we ignore the fruits of that research by letting multimillion dollar manufacturing gems like Genentech expand in a neighboring state with a favorable tax policy. This does an enormous disservice to the fiscal health of the state and the job opportunities for Californians with community college degrees."

BayBio: IMPACT 2009 Key Trends

- Patients have access to more treatments than ever before. California's life sciences companies in 2007 had 984 treatments and technologies on the market; in 2008 California companies were responsible for 1,294 treatments.
- A turbulent market will lead companies to invest in improved human capital in order to contain costs in a down economy.
- California's budget crunch will greatly affect education. In particular, science education will continue to fall short of meeting the employment needs of growing companies.
- As the current economic landscape shifts, funding dollars are tightening, M&A is ramping up, and risk-tolerance is plunging.
- The coverage and reimbursement environment facing biotechnology manufacturers today is increasingly challenging for companies seeking investment, particularly with the national focus on health care reform and economic prudence.
- Drug companies and regulatory agencies are looking to the emerging field of personalized medicine to improve patient care, reduce health care cost and enhance return on investment

for research dollars. This will incur a demand for a workforce more familiar with the latest technology and techniques in analyzing blood samples, tissue samples and genomic tests.

Proposed Legislative Action to Capture Manufacturing Priority actions, as identified by BayBio should include:

- Enact a statewide strategy for math and science teacher attraction and retention
- Expand allowable uses for the California Infrastructure and Economic Development Bank
- Incentivize local communities to zone biotech regions in their local general plan master planning
- Establish a major economic incentive for bioprocessing and biomanufacturing investments

"Twenty-first century medicine requires twenty-first century legislation and regulation, and BayBio is committed to that goal," Gardner continued. "We have hundreds of products in development, but our industry has no assurance of success, since there is much more to be done. We look forward to working with our members, investors and elected officials to continue bringing a robust pipeline of therapies to the patients who need them."

"BayBio: IMPACT 2009 serves as a reference for critical debates of state and national interest, including economic competitiveness and healthcare reform," said Pierre Cassigneul, president and CEO of XDX, a molecular diagnostic company based in Brisbane, Calif. "Throughout the course of 2009, BayBio and California's life sciences industry will work with legislative leaders and invite them to experience first-hand the success of our innovative businesses."

Findings from BayBio: IMPACT 2009 will be released at launch events today in San Francisco, in Sacramento on February 3, and in Washington D.C. in March. The events will involve industry representatives and policy makers, and include keynote speeches delivered by leading biotech executives.

About BayBio

BayBio is an independent, non-profit 501(c)(6) trade association serving the life science industry in Northern California. The staff and services of BayBio are paid primarily through memberships, sponsorships, and event registration fees. BayBio provides these services through representatives in South San Francisco, Emeryville, Sacramento and through coalition partners in Washington, DC.