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Biotech Companies Cut Back, Avoid Bankruptcy, Chronicle Says

By Nadja Brandt

Nov. 30 (Bloomberg) -- Biotechnology companies in California are reducing their operations as funding declines, possibly decreasing the number of bankruptcies in the industry, the [San Francisco Chronicle](#) said.

Advanced Cell Technology, a stem cell company, cut down its California operations and retreated to its Worcester, Massachusetts, headquarters to conserve cash, the newspaper said in an article on its Web site, citing spokesman Daniel Schustak.

[Avigen Inc.](#), which is eliminating about 70 percent of its workforce and put clinical studies on hold, will be able to survive for four years on the \$49 million it expects to have left by the end of 2008, the newspaper said, citing Chief Executive Officer [Kenneth Chahine](#).

Maxygen of Redwood City, which received \$90 million by selling its hemophilia program to Bayer Healthcare, is slashing 30 percent of its workforce and focusing on its one drug, the newspaper said. The experimental rheumatoid arthritis treatment is backed by Astellas Pharma Inc., the newspaper said.

Biotechnology companies have been selling operations, cutting jobs or finding partners to avoid having to declare bankruptcy, the newspaper said, citing [Matthew Gardner](#), president of BayBio, a life sciences trade association for Northern California.