



Press Release

Contact: Lori LeRoy
317-238-2456/317-514-0095 cell
lleroy@biocrossroads.com

BioCrossroads releases report on biopharma contract services sector *Analysis provides key insights into Indiana's growing drug development and manufacturing industry*

INDIANAPOLIS, IN, February 4, 2008 – BioCrossroads today released an extensive report on major developments within the pharmaceutical and biotechnology industries holding significant promise for Indiana's continued life sciences growth.

The report researches and spotlights the trend that, to combat the high costs and long lead times of product development and to manage scientific and business risks, both pharmaceutical and biotechnology companies are increasingly utilizing third party contract service providers (CSPs) as strategic partners for outsourced services necessary to bring a product to market. These services cover a wide range of drug development activities, including analytical testing, toxicology, clinical trial materials manufacturing, and regulatory consulting.

With the basic industry business model shifting from the traditional fully-integrated pharmaceutical company (FIPCO) that did everything from discovery to commercialization in house to a new "FIPNET" model creating a fully-integrated pharma network of sophisticated service providers, the opportunities for Indiana companies to expand services, employment and revenues across this sector are substantial. As the 40-page report documents, Indiana already features more than 40 CSPs serving this growing sector. Further, of the 128 different activities identified in the report that advance the drug development process from discovery to commercialization, Indiana CSPs currently perform 112 of these services (with many planning additional service offerings within the next twelve months), further demonstrating Indiana's clear position as one of the top drug development centers in the U.S.

The report also examines pharmaceutical and biotech market forces, contract service provider trends, growth opportunities within the CSP market, capital market interest and prospects for funding and forming additional successful CSP ventures within the expanding Indiana marketplace.

Recently, that marketplace has been further highlighted through BioCrossroads' announcement of its related BioCrossroadsLINX initiative. The LINX effort is designed to build educational and workforce development programs related to biopharma manufacturing and development, resulting in a more fully defined sector of contract service providers that can expand service offerings at home and connect other biotechnology discovery centers across the United States, such as San Diego.

“Within the last few months, several major pharmaceutical companies announced that they will be doing more and more outsourcing. Some even plan on having 100 percent of their manufacturing done by expert contractors,” said David Johnson, President and CEO of BioCrossroads. “Indiana’s contract service providers are uniquely positioned to build the regional economy; enhance our signature strengths; and capitalize on the outsourcing needs of both the pharmaceutical and the biotechnology industries.

Johnson added, “We have a strong foundation of CSP businesses and the right people to help them expand as the industry turns more opportunistically to these expert-intensive, cost-effective outsourced services. In fact, our 40 CSPs are already doing work for everyone from the top ten pharma companies to large and small biotechs to single researchers trying to develop a promising molecule.”

“This report is a great piece of work. The information here not only defines the contract service provider sector, but also analyzes the various funding options and business models for growing these companies and adding to their ranks,” said Dan Peterson, Vice President of Government and Industry Affairs, Cook Group. Cook Pharmica, a biopharmaceutical contract manufacturer for both clinical and commercial use, is one of Indiana’s largest biopharma contract service providers and has scheduled a major announcement later this week.

“By identifying gaps and other opportunities for future growth and development, BioCrossroads has exhibited a comprehensive understanding of an emerging and exciting opportunity with compelling value for Indiana’s life sciences community, our workforce and economy,” Peterson added.

An Executive Summary as well as the full report are available at www.biocrossroads.com.

About BioCrossroads

BioCrossroads (www.biocrossroads.com) is Indiana’s initiative to grow the life sciences, a public-private collaboration that supports the region’s research and corporate strengths while encouraging new business development. BioCrossroads provides money and support to life sciences businesses, launches new life sciences enterprises, expands collaboration and partnerships among Indiana’s life science institutions, expands science education and markets Indiana’s life sciences industry.

About BioCrossroadsLINX

BioCrossroadsLINX (www.biocrossroadslinx.com) is a non-profit organization, established by BioCrossroads, Indiana’s initiative to grow the life sciences, which will advance Indiana’s strengths in drug development and manufacturing through educational and workforce development programs and regional collaborations. In addition, BioCrossroadsLINX will analyze, organize and publicize Indiana’s research, industry and workforce strengths in biopharmaceutical development and manufacturing.

