

*Dutch to extract stem cells abroad*

## Expansion to India

The Dutch stem cell company Cryo-Save, describing itself as, "Europe's largest stem cell bank" is aiming to expand in India. Already boasting a large Indian presence, headquartered in Bangalore, Cryo-Save will increase the number of stem cell donors (aka clients) in the country by opening more offices and plans to invest €2 million. Currently, the company is operating in five Indian cities: Delhi, Mumbai, Pune, Ahmedabad and Bangalore. According to Cryo-Save's Chief Executive, Rob Koremans, the Dutch want to concentrate on the subcontinent and plan to expand into other South Asian countries "by end of 2010".



Newborns at Purulia District Hospital in West Bengal State.

Cryo-Save, established in 2000, does not provide therapy, but stores umbilical cords that contain vital stem cells. Currently, the Dutch company has more than 90,000 samples stored. Theoretically, future research on these stem cells could deliver a cure for the medical problems of the donor families. However, this is science fiction at the moment. Cryo-Save's clients pay for a therapy that doesn't yet exist. -WK-

*German biotechnology hires staff*

## Crisis Elsewhere

The global economic crisis still hasn't had a notable effect on the German biotech industry. Quite the contrary, several big players have expanded their businesses and are looking for additional staff. Take Morphosys for example. The Bavarian antibody developer is to double its research and development budget and will hire 40 new employees at its Martinsried site soon. At the moment, Morphosys has 324 staff and is near to celebrating a premiere. The company will enter clinical phase II trials with a self-developed drug for the first time, testing the therapeutic MOR103 antibody for its

ability to treat inflammatory diseases, from summer 2009 on. In the light of Morphosys' strong cash position of more than €130 million and its profitable business strategy, the situation is looking more and more appealing for the company and its workers.

Europe's biotech market leader Qiagen is also looking confidently to the future. The company intends to enlarge its headquarters in Hilden, Germany, and to hire about 500 new employees before the end of 2010, spokesman Thomas Theuringer told *Lab Times*, expanding Qiagen's staff to more than 3,500. In February, Qiagen announced a further expansion of its business in 2009, seeking revenues of €720-760 million, after gaining €700 million in 2008, and must therefore clear some space at all costs. The new office and research buildings will cost more than €27 million. -WK-

*SkyePharma to axe French subsidiary*

## Cutting Abroad

London-headquartered SkyePharma is preparing itself for the worst. To ensure the company's future in the light of the current economic crisis, the drug delivery specialist might have to cut its French workforce dramatically. A company spokesperson said that the pharmaceutical industry is tending to manufacture its products by itself at the moment, meaning that SkyePharma's Lyon



SkyePharma's manufacturing plant in Lyon.

factory will have less to do. Its subsidiary manufacturing facility (SkyePharma Production SAS) is chronically underutilized, the company admitted. It is projected to reduce its workforce of 129 employees by approximately one-third, saving €1.8 million of operating costs each year.

SkyePharma develops enhanced versions of existing drugs as well as products incorporating new chemical entities. Besides its UK headquarters and the affected Lyon facility, the company has its main research and development centre in Muttenz, near Basel in Switzerland. -WK-

*UCB outsources cancer research*

## The Belgian Way



UCB's headquarters in Brussels.

The German cancer drug developer Wilex (Munich) has closed an unorthodox but lucrative contract with the Belgian biopharmaceutical manufacturer UCB (Brussels). Wilex acquires world-wide rights to develop UCB's entire preclinical oncology programme, consisting of five experimental drugs, while getting additional milestone payments of €10 million from UCB within the next twelve months. UCB has invested a further €10 million in Wilex as a strategic investor, now owning 13% of Wilex's shares.

If everything goes well and a cancer drug is effective, UCB has retained the rights to re-purchase and commercialise each of the five development programmes after clinical phase I. If UCB doesn't exercise this right, Wilex is authorised to develop and commercialise each drug development programme for itself. In short, this deal offers many opportunities for the small German biotech firm and no discernible disadvantages. -WK-

*Applichem merges with Acron*

## Good Chemistry

The German biochemicals manufacturer Applichem (Darmstadt) is teaming up with US rival Akron Biotechnology (Boca Raton, Florida) for the manufacture and distribution of both companies' products. Akron Biotech is a provider of cell culture components. "The chemistry between the two companies made this alliance a natural fit," Markus Fransch, Managing Director of Applichem, commented. Akron's current CEO, Claudia Zylberberg, added that the deal's main purpose is, "to expand [the merged company's] product offering and to accelerate [its] growth". Zylberberg will continue as the CEO of the new company's US division (changing its name into Applichem, LLC). -WK-

United Kingdom & Germany: Money isn't everything

## Similar Sorrows

While UK biotechnology appears to be short of cash, most German biotech firms still haven't faced financial problems. In both countries, however, biotech lobbyists are demanding tax relief and less stringent laws.



In March, the UK's Bioscience Innovation and Growth Team released its "independent industry review of Bioscience", *Bioscience 2015*. The outlook was horrible. Generally, the authors claim, the financial outlook of the UK's biotech sector is radically darker than it was in 2003. The report quotes biotech executives that described the situation in 2007 as being, "in dire shape". Currently, a good year later, one third of the biotech companies that are listed on the stock exchange will run out of money in less than six months. Furthermore, the authors complain that previous tax incentives to encourage pharma investments in biotech have decreased dramatically in recent years. Biotechnology seems less attractive to private business angels and for venture capitalists because the companies have not given satisfying returns to tempt investors back.

This is indeed a depressing picture, similar to the recent warnings of British biotech backer Chris Evans (see *Lab Times* 6-2008,

page 46). The main problem, however, is probably not the money. According to the report's authors, it's the government. Biotech lobbyists moan about unnecessary hurdles posed by agencies such as NICE and the EU clinical trials directive and that these obstacles are applied more stringently in the UK than elsewhere (but they don't acknowledge that patients and taxpayers consider some of these hurdles quite reasonable).

British biotech lobbyists further point out that policy changes can turn things around. What is really needed, they argue, are changes in the regulatory environment, as well as R&D tax credits. Such changes would encourage pharma companies to pump more money into the biotechnology industry, thus giving investors confidence.

### Constricted high-level research?

Remarkably, German biotech's situation appears to differ enormously from the British, at least when it comes to finance. Regarding government hurdles, the situ-

ation looks remarkably similar to that in the UK. More than 90% of German biotech companies regard their current situation as good or satisfactory, a recent survey revealed. On the other hand, German biotech lobbyists have repeatedly demanded greater support from their government, missing the "innovation-friendly tax conditions" that would strengthen biotech enterprises conducting research and development.

German biotech lobbyist and Medigene Chief Executive, Peter Heinrich, singled out German corporate tax reform and the Modernisation of Conditions for Capital Investments Law for criticism several times. These regulations would make investments in research unprofitable, "representing a massive threat to the development of innovative small and medium-sized companies and weaken their position on international markets," Heinrich lamented.

WINFRIED KOEPELLE

### Danish join forces for transgenic birds

## Superchickens

Symphogen, a private Danish antibody developer from Copenhagen, and Origen Therapeutics, a Californian producer of transgenic birds, have joined forces. They intend to develop a transgenic chicken that produces fully human antibodies for therapeutic purposes.

The chickens will be immunised in the USA against cancer, infectious diseases and autoimmune disease, while Symphogen will develop antibodies tar-



Combating cancer with chickens?

geted against these diseases afterwards. The chickens serve as a breeding ground for more complex antibody therapeutics. Some researchers believe that these antibodies are more effective than existing single monoclonal antibodies. Both companies will provide funding to the project as well as paying each other royalties on products arising from the cooperation. In addition, both will hold rights to develop products from their superchickens.

-WK-