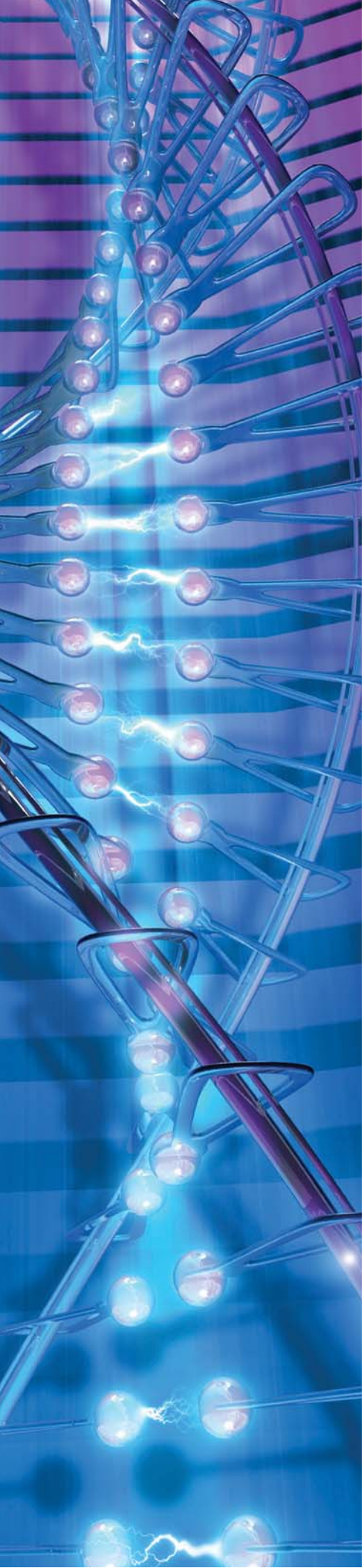

California Biotechnology:
The Value of RESEARCH& Development

Cures to diseases that were once considered a death sentence come at a significant price. Research and development in the field of human DNA is a complicated and costly process.

- On average, it takes 10-15 years and costs $850 million to advance one potential new medicine from a research concept to a treatment approved by the U.S. Food and Drug Administration. Multiply that by the 800 therapies California-based companies have in the pipeline to get a picture of the multi-billion dollar costs.

- California biotech companies generated $72.8 billion dollars in revenue in 2007. Of that, nearly 72 percent was spent on research and development, employee wages and salaries, and patient prescription assistance programs.

- The investment in new therapies is reflected in the world-class expertise in research, production facilities, manufacturing processes as well as biotech's ability to attract and retain key personnel with experience in all aspects of large-scale biologics manufacturing.

- If biotech companies were to eliminate research, development and marketing costs, the price of prescription drugs could be reduced. But in doing so, hundreds of life-saving therapies would never come to market, and cures for many devastating diseases would be left on the drawing board.

California Biotechnology Foundation

California Biotechnology:
The Value of R & D

PHOTO CREDIT: AMGEN

Simply put, restricting the price growth of biotech products will reduce the future pipeline of life-saving cures and increase the price of treating illnesses through existing and costlier methods such as surgeries, hospitalizations and doctor visits.

To keep and strengthen California's position as a world leader in the advancement of life-saving medical treatments, investment in biotech research and development must continue, and public policies that support the enterprise must be maintained:

- Ensure that tax and other regulatory policies support the efforts of small and mid-size biotech companies to attract needed investment for research, development and manufacturing.
- Oppose policies that require biotech manufacturers to meet dictated price controls which lead to less venture capital for research and development, the fuel of California's biotech enterprise and future growth.
- Create a healthy regulatory environment by eliminating duplicative state regulations for the construction of manufacturing facilities, adopting electronic application standards and streamlining the permit approval process.
- Initiate incentive packages to keep biotech innovation and manufacturing within the state to solidify California's competitive edge in an increasingly competitive environment.

1215 K Street, Suite 970, Sacramento, CA 95814
www.CaBiotech.org

California Biotechnology Foundation