



Georgia Biomedical Partnership Newsletter

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Serologicals Acquired by Millipore

A Georgia Success Story

Serologicals President and CEO David Dodd wasn't trying to sell his company. But for the past two years he had plenty of people who wanted to buy it.

"Every big player in our sector contacted us; Invitrogen, Fischer Scientific, Perkin-Elmer and Millipore." Dodd said. Serologicals specializes in biological products for research, drug discovery, diagnosis and bioprocessing.

"We're number one in stem cell research, neuroscience reagents, drug discovery and drug profiling, blood typing and cell cultures," Dodd observed. "We're like a specialty pharmaceutical company. Seventy-percent of our revenues come from patented, proprietary products."

With so many suitors, Dodd decided to assess the intentions and strengths of each. "We identified Millipore as the best fit," he said. When the merger talks began, an agreement was reached in less than two months.

It's easy to understand why. Millipore of Billerica, Mass., paid \$31.55 per share for Serologicals, a 34 percent premium to the stock price the day the acquisition was announced. The cost values Serologicals at \$1.4 billion. "This validates the tremendous success of Serologicals," Dodd observed.

Another element of this story is Georgia, where Serologicals grew from an \$85 million company to \$1.4 billion in six years. "This value was created in Georgia," Dodd noted. Since 2000, Serologicals acquired seven companies. Revenues grew more than 500 percent and employees jumped from about 100 to 1,000.

"This has been a great construction venture," said Dodd, who also is immediate past chair of the Georgia Biomedical Partnership. "Now it's time to do the next one."

Serologicals has about 40 employees in the corporate headquarters in Norcross and about 60 in its subsidiary Celliance, also in Norcross. Millipore will move the corporate headquarters to Massachusetts. Celliance will remain a subsidiary in Georgia.

After the merger closes June 30, Dodd will begin searching for new challenges. Some of the other top Serologicals executives may be in the same position.

The acquisition, Dodd suggested, could become a stimulus for growth of Georgia's life sciences industry similar to the impact on San Diego of Hybritech's sale to Eli Lilly and Co. in 1986 — the release into the community of successful executives eager to start new companies.

"I'm not looking to leave Georgia," Dodd said. "But I will be doing something."

Editor's note: David Dodd will discuss more about the Serologicals acquisition July 19 as the featured speaker of the GBP's monthly breakfast meeting 7:30 am to 9 am at the GTRI conference center. Visit www.gabio.org for details.

Solvay Wins \$298 Million Federal Contract For Flu Vaccine Production

Funding was largest of five awards

Solvay Pharmaceuticals has won a \$298.6 million contract from the U.S. Department of Health and Human Services to develop cell-based influenza vaccines and a plan for constructing a U.S. manufacturing plant to produce them.

The Solvay contract was the largest of five awarded by the federal government in its effort to prepare for a possible human flu pandemic. GlaxoSmithKline received a \$274.75 million contract; MedImmune, \$169.46 million; Novartis Vaccines and Diagnostics, \$220.51 million; and DynPort Vaccine, \$40.97 million. Sanofi Pasteur received a \$97 million contract in April 2005 as part of the government program.

Georgia officials, along with the state's Congressional delegation, have been working with Solvay to promote its technologies to federal officials. Marietta is the U.S. headquarters for the Belgian pharmaceutical company and the state's elected officials have urged Solvay to build the manufacturing plant in Georgia.

Solvay President and CEO Dr. Laurence Downey told the Atlanta Journal Constitution Georgia is one of the states his company is considering for construction of a vaccine plant.

In its press release, Solvay officials said the company has a 50-year heritage in the influenza vaccine business and 15 years of experience in researching and developing cell-based influenza vaccines. The company already has a cell-based flu vaccine plant in the Netherlands.

Georgia Gov. Sonny Perdue congratulated Solvay Pharmaceuticals and said it underscores the state's leadership role in life sciences industry development.

"We have identified biotech as a strategic industry in Georgia," Perdue said, "and the Solvay announcement solidifies our state as a major player in this critical field. The expertise of Solvay Pharmaceuticals and the state of Georgia's investment in the life sciences industry have proved to be a winning combination."

Dr. Downey said, "We appreciate the support of the State of Georgia and our Congressional delegation in our pursuit of this contract."

Georgia Department of Economic Development Commissioner Craig Lesser added, "We have identified life sciences as a strategic industry for the state because of the high-paying, sustainable jobs these companies provide and the important contributions these facilities make to our society. We have a team concept here in Georgia that leverages our respected academic institutions, significant resources at all levels of government, and an incredible commitment from our existing life sciences companies. We are all working together to grow this industry."

General Assembly Wrap-up

GA Legislators Approve Governor Perdue's Life Sciences Initiatives

The Georgia General Assembly approved Governor Sonny Perdue's FY 2007 budget with his proposed life sciences initiatives intact.

The Georgia Biomedical Partnership's (GBP) Economic Development Committee was instrumental in recommending the measures included in the governor's budget.

The budget, which takes effect July 1, allocates about \$14 million for bioscience industry growth, including \$5 million for a bioseed fund, \$2.5 million for a pre-seed fund, and \$5 million for a bioscience facilities fund. Another \$1 million was allocated to the state Department of Economic Development to create public-private partnerships that will enhance bioscience industry growth. The state budget also includes about \$100 million to support life sciences-related research and

development at Georgia's universities.

Also during the 2006 legislative session, the GBP's Government Affairs Committee led a successful effort to urge lawmakers not to criminalize therapeutic cloning and embryonic stem cell research. The proposed measure initially was introduced in the Senate as part of a bill to establish a public placental tissue and newborn umbilical cord blood bank and provide these materials for research and medical treatment. The GBP supported the cord blood bank effort.

The Government Affairs Committee organized a grass roots campaign among GBP members and worked with a coalition of patient advocacy groups to oppose criminalizing in Georgia research that is widely accepted throughout the nation and the world. That portion of the bill was removed and the legislation to establish a cord blood bank passed the Senate and House. However, because the House amended a definition in the Senate bill, it went back to the Senate for another vote. The legislature adjourned March 30 before the Senate could vote on the amended House bill.

Subsequently, Gov. Perdue issued an executive order April 14 creating a 15-member Commission for Newborn Umbilical Cord Blood Research and Medical Treatment. The commission will promote donation of umbilical cord blood and explore funding possibilities to establish a network of blood banks to store the materials. In addition, the commission will report to the governor before the end of 2006 with recommendations for additional legislation. The GBP submitted six names of bioscience CEOs and scientists to serve on the commission.

ELN update

Defining the Emerging Leaders Network

With near unanimity, when asked to associate a word with the Emerging Leaders Network (ELN), a recent survey of members promptly indicated 'networking'.

That's not surprising, as the word is in the group's name and is one of its primary goals. What is interesting, however, is how networking is defined.

The word networking is described in the dictionary as a tangible set of channels or electrical components that operate in harmony to make a functional system. Professional networking, however, is often thought of as supplementary to our daily tasks and responsibilities; it is often seen as beyond the call of duty and not as essential. But, if the literal form of the word is applied to the somewhat intangible concept of professional networking, it implies that without it, goals may not be met and the system, or biotechnology industry in this case, may not function to its fullest potential. To further its commitment to this connection, the ELN has maintained existing events and supplemented these events with several additions:

- An educational seminar series will cover biotechnology topics, careers and more
- The ever-popular networking events on the last Thursday of every other month (exceptions will be made for holidays)
- A new small group dinner series will provide approximately eight people with the opportunity to ask questions and hear stories from successful leaders in the life sciences community.
- Due to overwhelming demand, several industry tours will be offered over the next year

A less emphasized, but possibly even more exciting aspect of the organization is when members begin to see the effects of their networking. With every individual who becomes established as a leader in the industry, the entire biotech field benefits from developing industry contacts, mentoring and career enhancement through our networking and educational programs. To inspire future leaders, one goal is to provide individual success stories in upcoming newsletters. Stay tuned for these.

Finally, a goal of the ELN is to retain its members for the circle to be complete. Members are encouraged to remain an active part of the organization in order to serve as mentors for

newcomers, knowing from experience that this connection could also benefit them and their missions in the future.

For more information on how to join the Emerging Leaders Network or to view upcoming events, please visit www.gabio.org

BIO Business Solutions

BIO Business Solutions Features New Health Insurance Services

The Georgia Biomedical Partnership (GBP) has partnered with the Biotechnology Industry Organization (BIO) to offer many cost-saving programs for GBP members through BIO Business Solutions, a national group purchasing program. GBP member companies do not have to be a member of BIO to participate.

One of the most recent additions to BIO Business Solutions is Wachovia Insurance Services and ABD Insurance & Financial Services, which offers GBP members special terms, preferred pricing and comprehensive coverage on group employee benefits insurance. This includes such health and welfare lines of insurance as medical, disability, life, dental, AD&D, prescription drug, vision, and travel accident. The program also provides full-service employee benefit solutions, including human resources tools and support services, employee communications and education.

Among the special benefits offered to GBP members through this program are:

- Preferred pricing from leading insurance carriers.
- Comprehensive, cost-effective and leading edge employee benefits programs and HR administrative tools, including assistance to help manage federal and state compliance and regulatory issues.
- Unique expertise serving the life science market, with more than 300 current life science clients.
- Contract oversight provided by BIO.

All GBP members can participate in the BIO Business Solutions program. It is offered as part of the GBP membership benefits. For more information on BIO Business Solutions and the Palmer & Cay/Wachovia health insurance program visit <http://www.biobusinessolutions.com/ga.asp>