

New Fund Expands Options for Cash-strapped Biotech Industry

Ottawa (Dec. 16, 2009) - The new Tandem fund of \$300 million announced last week presents a much-needed financing option for Canada's biotechnology industry. The Fund received investments from the Business Development Bank of Canada (BDC), and Export Development Canada (EDC), contributing \$80 and \$75 million respectively to the Fund.

"The fact that biotech firms are able to apply for funding from this new source is a positive step in supporting the industry," stated Peter Brenders, President and CEO of BIOTECanada. "The Canadian industry has long relied on private capital sources, and has increasingly been looking abroad for support. In a world where countries compete aggressively to be first in this new economy, we need dedicated options from the federal government to keep this industry strong, and in Canada."

"With an average of 12-15 years spent developing our products in the lab, biotech firms are always on the hunt for funding to meet their next milestone," said Peter Matthewman, President and CEO of Performance Plants, of Kingston, Ontario. "It is encouraging to see the government providing financing options – especially at a time when other jurisdictions are committing to strategic and well-funded policies to attract biotechnology to their shores."

Biotechnology provides a strong underpinning for Canada's economy, with the use of the technology accounting for 6.4% of yearly GDP. This is more than the GDP contribution made by the aerospace, auto or forestry sectors.

In 2009, biotechnology firms were hard hit by the economic downturn. The year witnessed several bankruptcies and the cancellation of research projects in oncology, infectious diseases, diabetes, hepatitis, cardiovascular disease, and pain. BIOTECanada research estimates 2500 highly skilled jobs have been lost.

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ABOUT BIOTECanada www.biotech.ca

BIOTECanada is dedicated to the sustainable commercial development of biotechnology innovation in Canada. It is the national industry-funded association with over 250 member companies representing the broad spectrum of biotech constituents including emerging and established firms in the health, industrial, and agricultural sectors, as well as academic and research institutions and other related organizations.

