

## Press release

Contact:

Dr. Joern Leewe

Novumed GmbH

Tel.: + 49-89-944 690 10

Email: [info@novumed.com](mailto:info@novumed.com)

### **German Biotech companies win against their Swiss counterparts – Product pipeline of Swiss biotech companies shows a sharp decline**

**Current study compares product pipelines in the field of drug development**

*In the last two years, the number of research projects carried out by Swiss biotech companies reduced by about 25 percent, whereas in Germany, the number remained constant. Intense cooperation activities among German companies rather than formation of new companies could explain the decrease in Switzerland.*

Munich, March 2, 2006 – Switzerland is respected worldwide for its high research and development standards as well as for being a leader in the manufacturing of pharmaceuticals. However, a comparison between Germany and Switzerland shows that German biotech companies focusing on therapeutic development are stronger in the early research phases. This is the result of a current analysis carried out by the consulting firm Novumed. The study is based on company-specific data of small and medium-sized German and Swiss biotech companies and on interviews with companies. A major focus of the study was the development of these biotech companies in the market segment of therapeutics between 2004 and 2005. In addition to the dominant health care segment, Novumed also analyzed biotech companies in the market segments of consumer, agriculture, environment, animal health and nanotechnology.

“With our recently developed database, we are able to get detailed information about technologies, research projects, and new companies formed and companies that have closed down in Germany as well as Switzerland,” said Joern Leewe, General Manager of Novumed. “The main focus of our latest analysis was current research projects in the market segment of therapeutics. We also analyzed the distribution of biotech projects according to their development stages and research focus”.

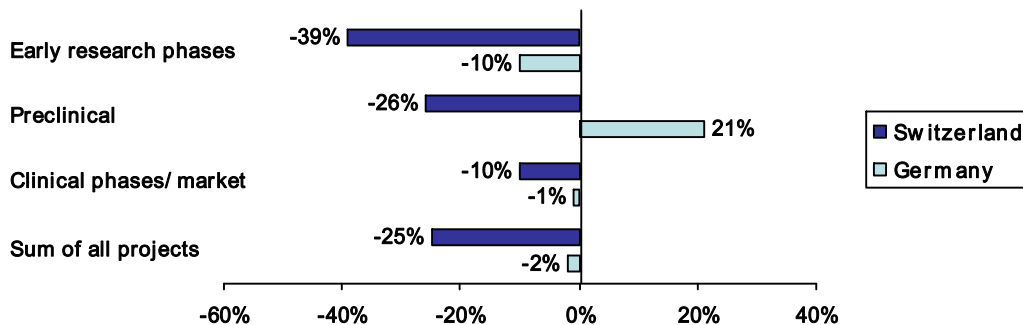
#### **Distribution of biotech projects**

About 56 percent of all drug development projects in Germany (234 out of 415) are in the early development stages, whereas in Switzerland, it is only 27 percent (42 out of 158).

“With a share of 40 percent, Swiss Biotech companies have a large number of projects in clinical phases or products already launched in the market,” said Leewe.

However, German companies have strengthened their position in the last two years. Figures indicating an increase and decrease in drug development projects from 2004 to 2005 clearly show that German biotech companies performed better during all research phases.

The total number of research projects in the field of therapeutics in Switzerland reduced by 25 percent from 211 to 158, whereas in Germany, there was only a marginal decrease of 2 percent from 425 to 415.



*Increase and decrease in research projects according to development stages from 2004 to 2006*

*Source: Novumed Biotech Finder, 2006*

Swiss companies reduced the number of projects in the early development stages by 39 percent. This figure was only 10 percent in Germany. Preclinical activities in Switzerland decreased by 26 percent, whereas an increase of 21 percent was observed in the preclinical research phase in Germany.

“We observed increased cooperation between German biotech companies and well-established pharmaceutical companies,” explained Joern Leewe. “More than a third of all German biotech companies have partnerships with one or more companies, whereas in Switzerland, only a quarter of all biotech companies have successful collaborations and partnerships. The research pipeline of Swiss companies has dried up considerably. On the other hand, German companies have steady research and collaboration activities, especially in the early research phases, and could, therefore, be more interesting to pharmaceutical companies and investors in the long run”.

### **The top three areas of clinical indication**

German companies are mainly involved in research in the field of oncology (31 percent of all projects), followed by inflammatory diseases (13 percent) and neurological diseases (10 percent). “One third of all research projects in German biotech companies are cancer projects,” said Joern Leewe.

“Research on metabolic diseases is on the rise in German biotech companies and has increased from 2 percent to 5 percent in 2004 and 2005.”

Oncology is also the main research focus in Switzerland (19 percent), followed by infection and inflammatory diseases (both at 16 percent). Other fields of research include cardiovascular diseases, skin diseases and pain.

### **New and closed-down companies**

Since 2004, 24 new companies were formed in Germany, whereas 11 in Switzerland.

However, the relatively steady research activity in Germany is not due to the newly founded companies, but is the result of extraordinary research in the early stages as well as preclinical phase projects of already established companies. Only four of the 24 newly founded companies in Germany work actively on the development of new therapeutics, whereas all of them offer services. The major groups of services include kits and reagents, several types of analysis, bioinformatics, high-throughput-screening, production services, tissue culture, and development services.

“At present, Germany has about three times more biotech companies than Switzerland,” said Joern Leewe. “In 2004, only 13 percent, that is, 70 biotech companies in Germany closed down their businesses, whereas Switzerland reached a similar level of 11 percent with 18 closures.

	Germany		Switzerland	
	2004	2006	2004	2006
Total	527	481	167	160
Closed-down	70	-	18	-
New	24	-	11	-

*Source: Novumed Biotech Finder, 2006*

### **About Novumed GmbH Life Science Consulting**

Novumed is an international top management consulting firm specializing in the life science industry. It primarily serves companies from industries such as biotech, pharma, and medical equipment. Novumed has a highly qualified team with complementary skills in medicine, business administration, and biochemistry. Its experienced management consultants have worked with market leaders such as Fresenius Medical Care and Boston Consulting. The strategy consulting provides services in innovation management, market analysis, and portfolio strategies. Novumed’s client base includes global pharmaceutical and medtech companies as well as smaller biotech and venture capital firms.

In collaboration with its US affiliate Novumed supports European clients in international business development, in the development of market strategies for the US, and in intercontinental mergers and acquisitions.

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