



2009 Victorian Life Sciences Industry Update

Victoria is the dominant force in Australian biotechnology research and development with significant strengths in the areas of cancer, neuroscience, stem cells, immunology, diabetes, agricultural and food, animal health and plant sciences.

Victoria is home to 138 public companies, 47 private companies, 13 independent medical research institutes, 10 teaching hospitals and 9 universities.

In what has been a challenging environment, Victoria's life sciences sector has demonstrated remarkable resilience with increasing profitability a key feature of the 2009 public company annual reporting season. The Price Waterhouse Coopers BioForum Index is down only 0.7% compared to a fall of 26% for the All Ordinaries for the 2008/09 financial year.

Market Capitalisation

The market capitalisation of Victoria's listed life science companies is more than \$23.8b. CSL, one of the world's top 10 biopharmaceutical companies by revenue, is currently valued at more than \$19b. Six companies are each capitalised at greater than \$250m and 12 companies have a market value in excess of \$100m.



Sales and exports by Victorian life-science companies

Sales for Victorian Life Science companies have more than doubled since 2002/03. Total sales of \$7.2b for Victorian Life Science companies (2007/08) included \$3.56b by CSL and \$3B by Sigma Pharmaceuticals with other listed and private biotechnology companies accounting for sales of almost \$700m.

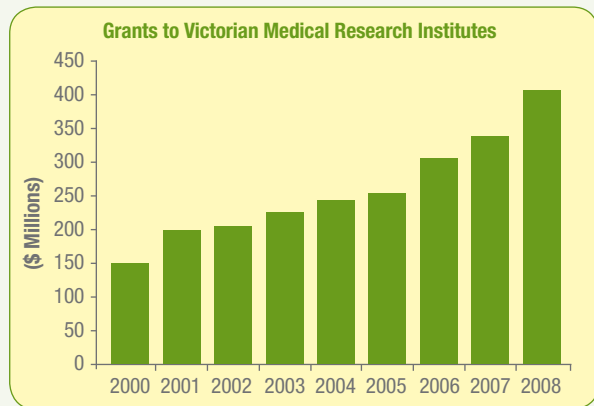
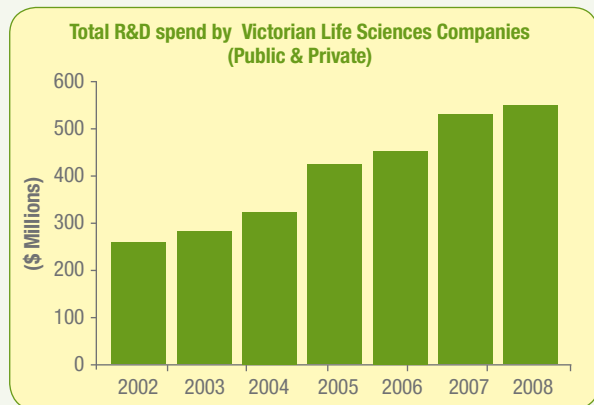
Sales are estimated to include \$320m worth of exports in 2007-08.



Research and Development expenditure

Annual spending on biotechnology-related research and development in Victoria exceeds \$1 billion.

This figure comprises more than \$555m of corporate R&D expenditure (a 112% increase since 2002); \$400m of independent medical research institute grants and more than \$130m in university grants.



Clinical Trials

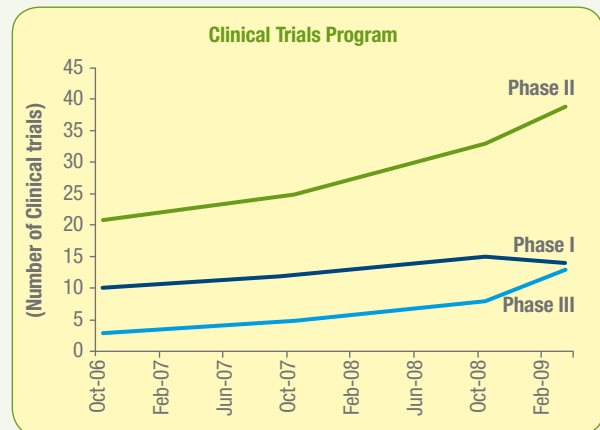
Victorian life science organisations are managing over 195 clinical and non-clinical development programs, independently or in partnership. Melbourne's listed life science companies currently have 85 life science products on the market, with 13 Phase III and 39 Phase II clinical trial programs underway. Victoria's health product outputs include better early-detection and prevention approaches as well as important new medicines. Late-stage clinical trial activity has increased by more than 50% since 2005.

Source: Blake Industry & Market Analysis Pty Ltd.

Victoria was the only non-US site chosen by US Company, Plexikon Inc. for its Phase I trials of a new biomarker-associated therapeutic treatment (PLX4032) for melanoma and colorectal cancer.

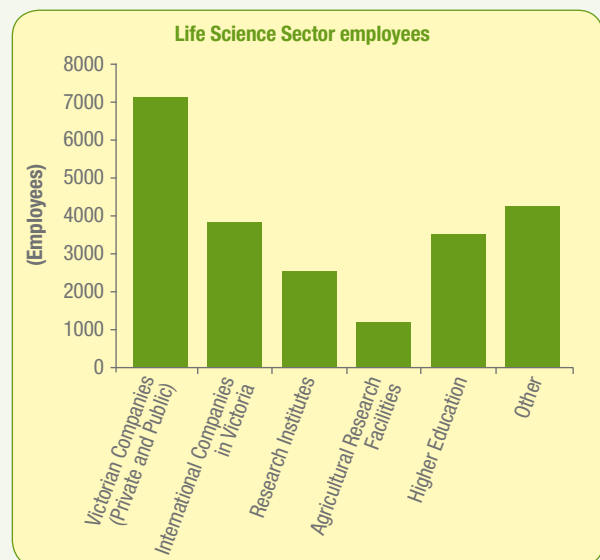
The US National Institutes of Health has awarded US\$50.45m to a team jointly headed by a Monash University-based researcher for a large-scale trial (ASPRE) to assess low-dose aspirin for primary prevention in healthy elderly people. This will be the largest prevention trial undertaken in Australia.

Companies with products available in the market or undergoing advanced clinical trials include Acrux (Axiron), Avexa (Apricitabine), Biota (Relenza), Cellestis (QuantiFERON), ChemGenex (omacetaxine), Clinuvel (afamelanotide), CogState, CSL (Gardasil, Fluvax, H1N1 influenza vaccine plus numerous others), Genera Biosystems (PapType), HealthLinx (OvPlex), Mesoblast, Prana (PBT2), Starpharma (VivaGel), Universal Biosensors and Virax (Vir201).



Employment

Victoria's life science sector employs more than 22,000 people.



Consistent economic growth

Victoria occupies 3% of Australia's land mass, but comprises 25% of the national economy. One of the world's few advanced economies to post positive growth in 2009, the State has enjoyed 14 years of consistent economic growth with an average growth rate of 3.2% to 2007-08. A 2009 international business confidence study by Servcorp named Australia as the Number 1 country to survive the current recession ahead of growing economies such as China and India.

For further information

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