

: editorial

Dear readers,

We are happy to bring you this first issue of our LISA VR Newsletter, and to introduce ourselves.

Life Science Austria (LISA) Vienna Region is an initiative designed to help companies in the region develop faster by providing networking, coaching and financing assistance in one-stop-shop form; the success of the approach is demonstrated by the 88 projects managed by us in 2003 alone.

We shall be using future issues to keep you abreast of the latest biotech developments in the Vienna Region as they occur. This newsletter is primarily intended for multinational pharmaceutical and biotech companies in search of local partners, foreign companies interested in locating in the Vienna Region, and venture capitalists considering investing in Austrian businesses. With over 70 companies and 700 employees, the life science industry in the Vienna region is already a by-word for successful location development.

LISA VR also stands for professional consultancy, cluster management and location marketing. And LISA VR has three strong partners in the Austrian specialist business promotion bank, Austria Wirtschaftsservice (aws), the Vienna Center for Innovation and Technology (ZIT) and the Lower Austrian regional development agency, EcoPlus. Would you like to find out more?

Visit us at BIO 2004 in San Francisco, e-mail or give us a call. We look forward to meeting you.



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VIENNA REGION: AUSTRIA'S BIOTECH HUB

Austria's capital, Vienna, and its neighbouring provinces of Lower Austria and Burgenland are fertile ground for the biosciences: they attract renowned scientists from all over the world and are home to a burgeoning biotech industry consisting of more than 70 life science companies.

Vienna and the surrounding biotech hot spots in Lower Austria and Burgenland constitute the Vienna Region biotech cluster; with five independent universities conducting life science research, the region generates most of Austria's academic research output, and Vienna-based institutions are world leaders in oncology, immunology and dermatology.

One reason, perhaps, why renowned Austrian-born bioscientist Josef Penninger, one of Canada's "top 40 under 40", relocated from Toronto to Vienna last year: Vienna's high standard of living (ranked second worldwide in 2003, according to Britain's "The Economist") might also play a role in any decision to relocate. Historically, Vienna has always had a strong track record in applied sciences, such as bio-processing; much of the research carried out in these areas has led to commercially successful enterprises, and

Vienna offers innovative ways of exploiting such knowledge. The recently founded "Austrian Center of Biopharmaceutical Technology" (www.acbt.at) develops novel technology platforms to improve the production efficiency of pharmaceutically important proteins, and provides a good example of a private public partnership between universities, a biotech start-up company (Polymun) and pharmaceutical giants Sandoz and Boehringer Ingelheim. Many Viennese biotechs have performed outstandingly: cancer vaccine specialist Igeneon's leading anti-cancer product, for example, is currently in phase III trials, and Austrianova, producer of innovative therapies for pancreatic cancer, became the first Austrian biotech to acquire orphan drug status for a product with Europe's Medicinal Evaluation Agency (EMA) in July 2003. Curious? See inside for more about what's going on in Vienna's life science industry.



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The necessary conclusions for Austria as a potential biotech host location were recognised in decisions by the Austrian government and by local authorities. Red tape has been eliminated, young academic talent promoted, the importance of clinics for basic and applied clinical research recognised, and transfer of technology and know-how from universities to industry improved. With additional focus on evolving areas outside the mainstream of traditional drug development, skilful image

AUSTRIA AS A CENTRE OF INNOVATION – WHY BAXTER CHOSE VIENNA FOR ITS EUROPEAN HEADQUARTERS

Biotechnology is evolving into the key industry of the 21st century, with effects on every walk of life. Its holistic character, drawing on and crosscutting numerous technologies, makes it relevant to many sectors of industry.



Its exponential growth and enormous potential for innovation makes it indispensable economically: it is essential to maintaining Austria's reputation for high technological standards and the qualified jobs and export potential that go with it. Apart from the directly associated jobs,

biotechnology generates additional employment in the areas it draws on, in particular the chemical and pharmaceutical industries. Not only the number of jobs but also the high-level qualifications they de-

mand are of considerable economic value. The recurrent debate in Austria concerning the dangers and risks of genome and stem cell research should not fail to take these considerations into account.

The emerging critical importance of bioscience to pharmaceutical research and development together with the growing self-confidence of its proponents continues to strengthen the drive towards convergence of biotechnology and pharmaceutical industries on an equal footing, while the increasing importance of biotech companies is contributing to the disintegration of the pharmaceutical value chain and encouraging new business models, in which different capabilities become crucial to success.

promotion, incentives for raising risk capital, emphasis on corporate culture, improvements in taxation, creation of cooperative networks and an increasingly international outlook, the biotech environment in Austria is radically improved.

These factors significantly affected the decision of Baxter BioScience to choose Vienna as its European headquarters.

Friedrich Dorner
Board of Directors
Baxter AG and Baxter Vaccine AG

www.baxter.at



Success stories of the Vienna Region (to be continued)

Intercell AG – biotech success “Made in Vienna”

Intercell came into being in 1998 as a Campus Vienna Biocenter spin-off. Intercell's vision is to turn scientific excellence into business success, by developing new and effective therapies against infectious diseases and cancer. “The ideal conditions provided by Vienna, combined with our robust financial base, have helped us make



the successful transition from very promising research and development operation to an international enterprise with a well-rounded product and pipeline portfolio,” comments Professor Alexander von Gabain, CEO. Intercell has successfully raised more than EUR 100 million in private venture capital from top international investors, which is now being invested

in research and development of new vaccines. Intercell was recently ranked among the top 10 biotech companies in Europe by Tornado Inside, and in November 2003 raised an additional USD 50 million of venture capital, the largest biotechnology private equity financing to be completed in Europe in the last 24 months.

www.intercell.com



A RECIPE FOR EXCELLENCE

Attract curious, young scientists, give them a generous budget and enough freedom, and provide state-of-the-art infrastructure – it worked for the IMP.

The Research Institute of Molecular Pathology (IMP) is Boehringer Ingelheim's basic biomedical research institute and a center of excellence in the life sciences. Its opening in 1988 laid the foundation for today's Campus Vienna Biocenter.



The IMP's scientists, organized into 12-14 working-groups, are dedicated to elucidating the molecular mechanisms of disease. Their discoveries are at the disposal of Boehringer Ingelheim

and provide the basis for innovative therapies of the future. Research results are published in peer-reviewed journals; the average output is 80-100 papers per year. More than eighty patent applications bear testimony to the resourcefulness of the IMP's scientists.

The IMP employs over 200 people from 28 different nations. The working language is English. An international PhD-Program, jointly organized with the University of Vienna, attracts ambitious young scientists from all over the world.

The IMP groups, through their numerous collaborations, are part of a world-wide scientific network. From 2004, the institute is coordinating two large projects within the 6th Framework Program of the EU.

www.imp.univie.ac.at

LIFE SCIENCES CENTRES IN THE VIENNA REGION

... (to be continued)

Campus Vienna Biocenter – successful partnership between leading university researchers and biotech spin-offs



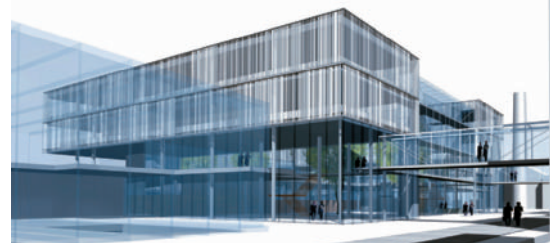
The arrival of the Institute for Molecular Pathology (IMP) at the end of the eighties marked the beginning of Campus Vienna Biocenter. The Institute for Molecular Biotechnology (IMBA) and the Gregor Mendel Institute, specialising in plant molecular biology, both of the Austrian Academy of Sciences, have also made their homes there. The presence of four university institutes ensures the systematic integration of teaching and research. Some of the university spin-offs established at Campus Vienna Biocenter have already successfully progressed beyond the start-up phase. The specialisations represented range from the development of diagnostics and vaccines to chip technology.

www.univie.ac.at/viennabiocenter
www.imp.univie.ac.at
www.imba.oeaw.ac.at
www.gmi.oeaw.ac.at

Krems – centre for regenerative medicine

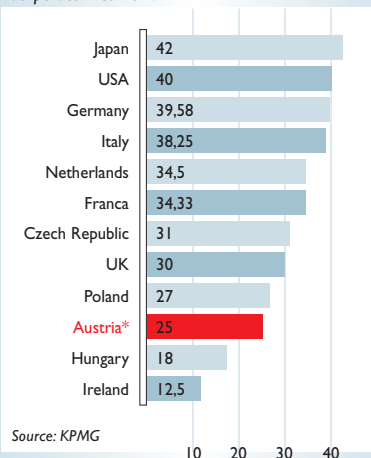
The Centre for Biomedical Technology established at Danube University Krems (ZBMT) concentrates on the development of state-of-the-art technologies in the areas of biomaterials, extracorporeal blood purification and tissue engineering. Danube University Krems is the only university in Europe to offer a Biotech and Pharmaceuticals MBA focused on business start-ups. For the more practical aspects, IMC Fachhochschule Krems offers a specialist training course on Medical and Pharmaceutical Biotechnology. The scope for cooperation and development between research and teaching establishments has proved an attraction to numerous businesses, most prominent Baxter corporation.

www.zbmt.donau-uni.ac.at
www.donau-uni.ac.at
www.imc-krems.ac.at



: Austria - among the lowest corporate tax rates in the EU

Corporate Income Tax



Maximum taxation of profits in percent

With effect from 2005, Austria's corporate income taxes will be reduced to 25 percent. Austria will then be able to boast the second lowest corporate tax among the 15 established members of the European Union (not including the new members from Central and Eastern Europe). Austria's corporate tax law also includes a modernised form of group taxation for corporations and generous tax treatment of provisions and reserves. Liberal tax allowances of between 25 to 35 percent for R&D activities make Austria a top business location for global investors. This will bring Austria's corporate taxation much closer to that of Central and Eastern Europe countries.

* projected 2005



WHO IS WHO?

LIFE SCIENCE AUSTRIA (LISA)
VIENNA REGION –
your partner for life sciences

LISA VR is the Vienna Region's central consultancy and coordination office for researchers and companies in the life sciences.

The LISA VR team offers

- › Help in setting up businesses and preparing business plans
- › Pre-seed and seed financing for new ventures
- › Access to investors through our international venture capital network
- › Access to regional and federal funding
- › Financing for patents and patent marketing

In addition to these core services, LISA VR focuses on developing linkages between key figures in the Austrian life sciences scene, on strengthening international contacts, cluster management and on educational and public awareness issues.

www.vienna.lifescienceaustria.at

AUSTRIAN BIOTECH COMPANIES AT BIO 2004 IN SAN FRANCISCO – MEET US AT THE AUSTRIAN PAVILION IN HALL C

The companies represented at BIO 2004 are unmistakable evidence of Austria's attractiveness as location: from start-ups in the diagnostics area to vaccine developers with Phase III products, you'll find Austria's most interesting life science businesses at their shared booth in Hall C.



Austria has more to offer than Lippizaners and Mozart's music: an extremely vigorous life sciences scene, with its centre of gravity in the Vienna Region. Some 75 percent of Austria's pharmaceuticals, biotech start-ups and established businesses are to be found in the area. Austria's booth at this year's BIO 2004 is showcasing the following companies (in alphabetical order)

- › **Austrianova** specialises in innovative gene transfer systems. Its leading product, for the treatment of pancreatic carcinoma, has received orphan drug status and is currently in Phase II studies.
- › **igeneon** has focused on immunotherapy, particularly in the area of epithelial cancers. Its leading product, IGN101, is currently undergoing Phase III Studies.

› **Intercell** specialises in the development of vaccines and is currently also involved in Phase II and Phase III studies. In 2003 it successfully completed one of Europe's largest financing rounds in the industry, for USD 50 million.

› **Inte:Ligand** provides in silico hit generation together with activity profiles for chemical and biological substances using proprietary pharmacophore modelling.

› **Oridis Biomed** maintains one of the world's largest tissue banks, a resource which significantly improves the medical validation of targets. Its first leading product is focused on liver cancer diagnostics.

The LISA VR team will answer your enquiries at the booth – or contact us via e-mail: office@vienna.lifescienceaustria.at

