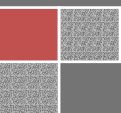




**COMPARATIVE
BIOTECHNOLOGY INDUSTRY
OPERATING COSTS**

BizCosts®....*The Cost of Doing Business*

BizCosts.com
Princeton, NJ



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EXECUTIVE SUMMARY AND NOTES

Introduction

In the following **BizCosts®** analysis, major operating costs scaled to a representative biotechnology facility are presented for a series of 63 comparative sites in the U.S. Annual costs are itemized and totaled in the full **BizCosts® Report's** summary Exhibit I and the full study ranks the cities from highest cost to the lowest.

Annual operating costs were projected solely for comparative purposes, with only major geographically-variable factors being considered. Those costs not varying significantly with geography, including relocation and start-up expenses, were not considered. The independent **BizCosts®** analysis focuses on those key geographically-variable cost elements considered to be most pivotal within the site selection process for new life sciences industry operations. Geographically variable operating cost differentials are current for **2010 and 2011**.

Operating costs are scaled to a hypothetical 75,000 sq. ft. biotechnology research facility employing 220 workers. The full **BizCosts® Report** provides a detailed and authoritative point of reference for the corporate planner's assessment of comparative operating cost levels in each of the surveyed biotech sites. The format of the cost exhibits will allow further custom tailoring of the cost data, occupancy assumptions and labor estimates to reflect alternate scales of operation, staffing needs and sector focus.

Comparative Biotechnology Locations

For purposes of comparative economic analysis, major geographically-variable operating costs have been projected in the full **BizCosts® Report** for a series of 63 U.S. cities. Surveyed cities represent all regions of the country and house

major or emerging concentrations of biotechnology and life sciences industry operations. These 63 U.S. cities are listed below:

New England Region

- Boston, Massachusetts
- Providence, Rhode Island
- Springfield, Massachusetts
- Hartford, Connecticut
- Stamford, Connecticut
- New Haven, Connecticut
- Manchester, New Hampshire

Middle Atlantic Region

- New York, New York
- Rochester, New York
- Princeton, New Jersey
- Philadelphia, Pennsylvania
- Pittsburgh, Pennsylvania
- Montgomery County, Maryland
- Baltimore, Maryland

Southeast Region

- Atlanta, Georgia
- Charlotte, North Carolina
- Greensboro, North Carolina
- Raleigh/Durham, North Carolina
- Memphis, Tennessee
- Nashville, Tennessee
- Birmingham, Alabama

Florida Region

- Orlando, Florida
- Jacksonville, Florida
- Broward County, Florida
- Miami, Florida
- Tampa/St. Petersburg, Florida
- Palm Beach County, Florida
- Lee County, Florida

East North Central Region

- Cleveland, Ohio
- Cincinnati, Ohio

- Columbus, Ohio
- Chicago, Illinois
- Ann Arbor, Michigan
- Milwaukee, Wisconsin
- Indianapolis, Indiana

West North Central Region

- Kansas City, Missouri
- Minneapolis/St. Paul, Minnesota
- Des Moines, Iowa
- Omaha, Nebraska
- St. Louis, Missouri
- Wichita, Kansas
- Cedar Rapids, Iowa

South Central Region

- Tulsa, Oklahoma
- Oklahoma City, Oklahoma
- Dallas, Texas
- San Antonio, Texas
- Houston, Texas
- Austin, Texas
- New Orleans, Louisiana

Mountain Region

- Denver, Colorado
- Phoenix, Arizona
- Tucson, Arizona
- Salt Lake City, Utah
- Provo/Orem, Utah
- Albuquerque, New Mexico
- Colorado Springs, Colorado

Pacific Region

- Los Angeles/Long Beach, California
- San Diego, California
- Sacramento, California
- San Francisco, California
- San Jose, California
- Seattle, Washington
- Portland, Oregon

Comparative Labor Costs

Annual costs for labor, including scientific research positions in biology, chemistry, microbiology, clinical programming, processing and other laboratory support positions, are presented in the full ***BizCosts® Report's*** Exhibit II. Annual costs are based on a representative mix of 26 different research, technical and administrative support job titles for the model biotechnology facility.

Comparative labor costs for management were not included as these costs would tend not to vary as significantly by geography, but rather by individual biotechnology company compensation practices. Fringe benefit costs are included as a percent of annual base payroll costs and are assumed to include all statutory benefits, pay for time not worked, and company-sponsored benefits.

Comparative Electric Power Costs

Comparative annual electric power costs are presented in the full ***BizCosts® Report's*** Exhibit III. Annual costs reflect commercial rate schedules of the various utilities serving each of the 63 surveyed areas.

Comparative Land Acquisition and Construction Costs

Exhibit IV in the full report presents comparative costs for the purchase of commercially-zoned land and the construction of new biotechnology research space in each of the 63 surveyed locations.

Comparative Ad Valorem and Sales Tax Costs

Exhibit V in the full study presents comparative ad valorem (property) tax costs in each of the 63 surveyed sites scaled to the land and building specifications of the model biotechnology facility. Also presented in this exhibit are comparative local and state sales tax costs based on a fixed annual purchase of supplies, furnishings, equipment and other taxable goods.

Comparative Corporate Travel Costs

Comparative annual on-site and air travel costs for each of the 63 surveyed cities are presented in the full ***BizCosts® Report's*** Exhibit VII. On-site costs include corporate traveler lodging, meals, local transportation and other business travel incidentals. Figures are indicative of local business travel cost structures expected to be incurred by management, regulators and other employee and client visitations to each of the 63 surveyed biotechnology sites.

About BizCosts® About Boyd

BizCosts® is a registered trademark of The Boyd Company, Inc., of Princeton, NJ, and represents the firm's proprietary operating cost data bank used to shape its domestic and international corporate site selection recommendations. Founded in 1975, Boyd (www.theboydcompany.com) provides independent location counsel to leading U.S. and overseas corporations. Devoted exclusively to corporate mobility, The Boyd Company is recognized as the nation's premier authority in comparative business cost analysis.

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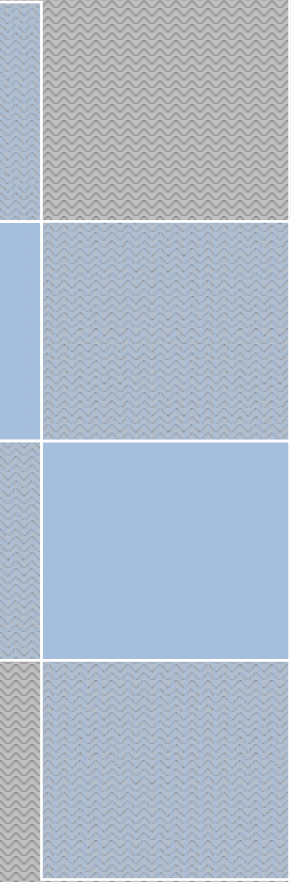
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