



“Florida is shaping itself to become one of the leading states for bioscience innovation, business development and job growth.”

David L. Day, Director, UF Office of Technology Licensing
UF Sid Martin Biotechnology Incubator
BioFlorida Board Member

First Edition
Spring/Summer 2012

FLORIDA'S BioPulse

A Snapshot of the Bioscience Industry



Content & Analysis
Provided By:

UF UNIVERSITY of
FLORIDA

UF Sid Martin
Biotechnology Incubator
UNIVERSITY of FLORIDA

Industry Growth

Michael Schmitt, MD, Life Science Analyst
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The Florida BioDatabase recently completed an analysis that illustrates the growth of the Florida biotechnology industry. The industry has grown by 42% over the past five years, bringing the total to nearly 200 biotechnology companies. Ernst & Young and *Nature Biotechnology* reports indicate the U.S. biotechnology sector has shown a much slower growth rate of less than 5% over the same period.

It is important to note that biotechnology companies tracked by the Florida BioDatabase are characterized by having a true research and development core that helps fuel the innovation of new products for Florida's growing biomedical industry.

Florida's bioscience industry has grown more since 2004 than in all previous years combined, with an impressive acceleration of new companies being founded in the last several years. More than 10% of the nation's biotechnology companies now reside in Florida.

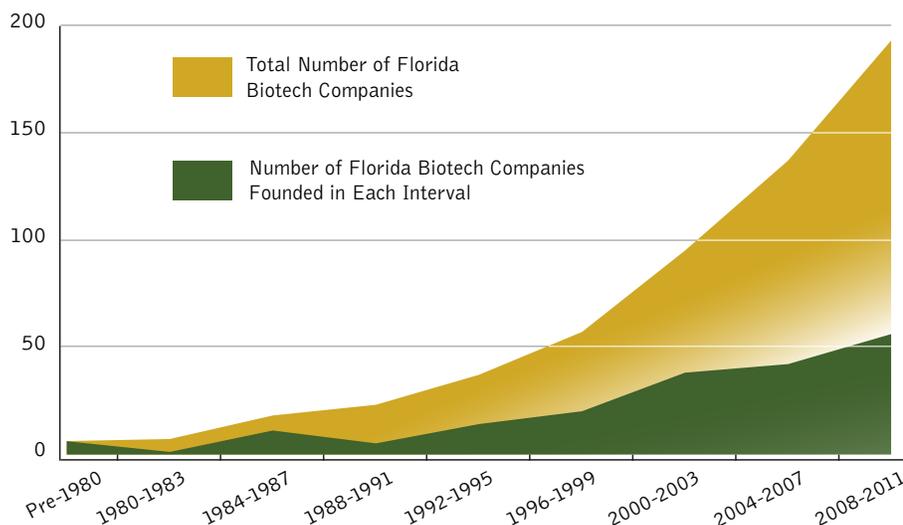
The therapeutic sector comprises 41% of all bioscience companies in Florida while device and diagnostics make up 15% and 11%, respectively. Approximately two-thirds of Florida companies currently have a product being sold in the marketplace. There are 43 publicly held companies, the majority of which are traded on the New York Stock Exchange (NYSE) and the over-the-counter (OTC) exchanges.

The life science industry is located primarily in four areas: the Southeast region (Miami, Fort Lauderdale and Boca Raton), the Tampa Bay region, the North Central region (Gainesville and Alachua) and the East Central region (greater Orlando). Growth of the biotechnology industry was largely catalyzed by Florida's commitment – led by former Governor Jeb Bush – to build a life science cluster through attraction of major research institutes. Those institutes located in Miami, Jupiter, Port St. Lucie, Orlando, Tampa and St. Petersburg have added to the existing research infrastructure to create the momentum seen today.

“Florida is positioned to be a global hub for groundbreaking life sciences development. This report is further evidence that the investment Florida made beginning in 2003 sparked what is now a growing flow of venture capital investment into biotechnology and research. Florida is already home to nearly 200 biotechnology companies, world class research centers and nationally recognized academic institutions. Now we are moving ahead of national trends to become a destination for biotechnology discovery, innovation and entrepreneurship.”

– Jeb Bush
43rd Governor of
the State of Florida

Growth of Florida Biotechnology Companies by Founding Date

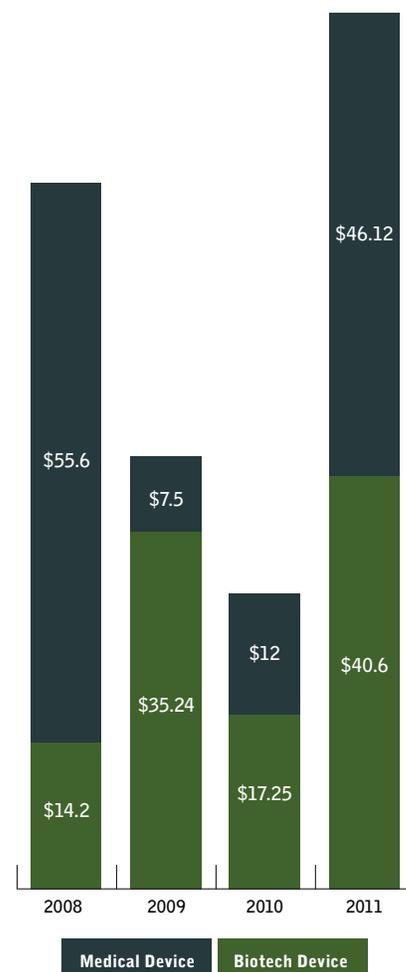


Venture Funding

While less money has been raised in terms of absolute dollars compared to other geographic areas, the percentage growth of venture capital funding for the biomedical industry in Florida far outpaced the national scene. Consider: investment dollars in 2011 surged 200% over 2010 levels to nearly \$87 million, while life science venture funding nationwide, which includes both the biotechnology and medical device segments, increased just 21% during the past year. Additionally, 2011 was the best year for Florida life science investments in the past four years, with the number of deals increasing by 36% to 15 placements in 2011. The average deal size for biotechnology doubled to \$5.1 million (8 deals) while medical device average deal size increased 65% to \$6.6 million (7 deals). The majority of venture funded companies were in a later stage of development and had an established revenue stream or were close to placing a product in the marketplace. Early-stage companies continue to be challenged to find venture funding.

Newly released data from the National Venture Capital Association revealed a 22% drop in life science funding in the U.S. during Q1 2012. However, investors continued to allocate dollars to bioscience, as biotechnology and medical device combined were directly behind the No. 1 venture capitalist funded segment – software. This is in sharp contrast to Florida, which experienced a 65% increase in life science venture dollars over Q4 2011. Both biotechnology and medical device funding rose significantly, bringing total life science investments to \$39 million (6 deals) in the first quarter of this year, representing 45% of total funding in 2011. LensAR (Winter Park, FL) had the top bioscience deal of the first quarter with a \$24 million placement. The company is in the medical device sector with innovations in ophthalmic laser technology.

Florida Life Science Venture Funding (\$M)



Prominent Successes

“After several successful exits, the Florida life science industry remains optimistic about continued increases in venture funding.”

– Patti Breedlove
Associate Director
Sid Martin Biotechnology Incubator

Verenium (Nasdaq: VRNM; San Diego, CA; graduate of the University of Florida’s Sid Martin Biotechnology Incubator in Alachua, FL) – the company that develops products utilizing cellulosic ethanol technology, announced in July 2010 the sale of its cellulosic biofuels business to BP Biofuels North America for \$98.3 million. The deal will allow Verenium to retain its commercial enzyme business. BP plans to open a biofuel plant derived from Verenium’s technology in Highlands County, FL by 2014 and will employ more than 200 people to operate the new facility.

VaxDesign (Orlando, FL) – was acquired by Sanofi Pasteur in December 2010 for \$60 million. The company is in the diagnostic immunology space and continues its Florida operations.

Novamin (formerly of Alachua, FL) – was acquired by GlaxoSmithKline for \$135 million in early 2010. The company developed products in the oral healthcare segment, including specialty toothpaste.

About the Florida BioDatabase | www.FloridaBioDatabase.com

The Florida BioDatabase is a freely accessible public database provided through the University of Florida's Sid Martin Biotechnology Incubator at www.SidMartinBio.org that tracks the biotechnology industry in Florida through a number of metrics. The Florida BioDatabase follows the industry held standard of defining a biotechnology company according to the Ernest & Young guidelines that include core R&D and involve the use of modern biological techniques to develop products or services for human health care, animal health care, agricultural productivity, food processing, renewable resources, industrial manufacturing, and environmental management. The Florida BioDatabase does not include healthcare services companies or medical device companies without a bio-component.

The Florida BioDatabase is updated several times annually. Occasional white papers are available online.

About BioFlorida | www.BioFlorida.com

BioFlorida is the voice of Florida's bioscience industry, representing more than 3,000 companies and research organizations in the biotechnology, pharmaceutical and medical device fields employing 61,000 Floridians. BioFlorida's member-driven initiatives provide a strong business climate for production of quality, life-improving technologies and promote economic benefits to the state.

References

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- PricewaterhouseCoopers MoneyTree Report, *Life Sciences Updates, 2011-2012*.
- University of Florida Sid Martin Biotechnology Incubator, *Florida BioDatabase*, May 2012.

Florida continues to show resilience by establishing itself with a true "bioscience brand." Florida's bioscience brand has been built by more than a dozen world-class research centers and key academic institutions including the University of Florida, named by the Milken Institute as the top performing public institution at transferring its research to the marketplace, and the Scripps Research Institute, one of the largest private non-profit biomedical research organizations in the world. Other significant institutes that have added to the resilience of Florida's recent biomedical growth include Sanford-Burnham Medical Research Institute, Max Planck Florida Institute, Torrey Pines Institute for Molecular Studies, Miami Institute for Human Genomics, Vaccine & Gene Therapy Institute Florida, SRI International, and Draper Labs, as well as strong research centers at every major public university in Florida.

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