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National Venture Capital Association

PACIFIC BRIDGE LIFE SCIENCES

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For Immediate Release

**LIFE SCIENCE INNOVATION DEPENDENT ON VENTURE CAPITAL,
NEW REPORT ASSERTS**

VC Investment in Biotech and Medical Device Companies Accelerates Time to Market, Extends and Improves the Lives of Millions

December 1, 2004, Palo Alto, CA - More than 100 million (1 of every 3) Americans have benefited from venture-backed medical innovations developed during the past 20 years, according to a new qualitative research report issued today by Pacific Bridge Life Sciences and THE WEINBERG GROUP. The report entitled, "*Patient Capital: Improving the Lives of Millions*" examines the impact of venture capital investment on the treatment of chronic diseases and leading causes of death in the United States, including cancer, heart disease, stroke, diabetes, asthma and arthritis. Commissioned by the National Venture Capital Association (NVCA), *Patient Capital* also asserts that venture-backed medical innovations are developed and made available to patients as much as three times faster than a "bootstrapping" approach to product development.

"Venture capital investment has played a pivotal role in incubating and commercializing many of the breakthrough innovations that have occurred in the life sciences sector during the last half century," said Dr. David Goodman of THE WEINBERG GROUP and co-author of the report. "Without venture capital investment, many of the United States category leaders in the biopharmaceutical, medical device and diagnostic sectors may never have gotten off the ground."

Patient Capital is the first sector-specific report on venture capital's impact on America. In July, Global Insight published a study that documented venture capitalists' role in job creation and revenue generation in the U.S. *Patient Capital* examines the role of venture capital in funding biotech and medical device companies which are often too risky for more traditional financing sources due to the large dollars required, length of investment timeframe, and high uncertainty of outcomes. The report examines lives saved and improved as a result of venture-backed products and includes cases studies on medical breakthroughs in the areas of cardiovascular, respiratory and kidney disease, arthritis, diabetes, stroke, and cancer.

Venture-Backed Innovative Treatments for Leading Causes of Death

Cause of Death	Number of People 2001	Total VC Dollars Invested	Examples: Venture-Backed Innovations
Heart Disease	700,142	\$22 billion	Angioplasty, Minimally Invasive Bypass, Electro-Ablation, Implantable Defibrillators, Integrilin, ReoPro
Cancer	553,768	\$9 billion	Doppler, Ultrasound, Minimally Invasive Biopsy, PSA, MRI, Avastin, Erbitux, Velcade, Gliadel, Herceptin, Rituxan
Stroke	163,538	\$1.3 billion	MRI, TPA
Respiratory Disease	123,013	\$19.5 billion	FluMist, Ventilators

“Venture capital has helped combat chronic diseases, which account for 70 percent of all healthcare costs in the United States,” said Anthony Stolis, managing director of Pacific Bridge Life Sciences and co-author. “From medications such as ENBREL, Integrelin and Herceptin to devices such as pulse oximeters, blood glucose monitors, and MRIs, venture-backed innovations have improved the quality of our lives and provided peace of mind for millions of Americans.”

Chronic Conditions Treated By Venture-Backed Innovations

Condition	Estimated Lives Improved	Venture-Backed Companies	Examples: Venture-Backed Innovations
Diabetes	18.2 million	Therasense/Lifescan	Blood Glucose Monitors
Asthma	7 million	Sepracor	Xopenex
Kidney Disease	300,000	Amgen	EPOGEN
Rheumatoid Arthritis	234,000	Immunex/Amgen	ENBREL

The benefits of VC investing in life sciences extend beyond patient care and into the national economy. The US venture capital community invested more than \$5 billion into life sciences companies in 2003, representing 28% of all venture capital investment. For more recently launched products examined in the study, every venture dollar invested yields more than \$50 in revenues and as much as \$750 for products introduced ten years ago, allowing venture-backed companies to pay taxes, develop new products, and hire more employees. The life sciences sector today employs more than 600,000 Americans, earning an average of \$70,000 per year.

The report highlights some of today’s market leading companies including Genentech, Amgen, Immunex (acquired by Amgen) and Nellcor (acquired by Tyco), all which received venture capital financing during their critical growth phases. Many early stage employees of companies such as these have moved on to start second-generation companies of their own, creating a multiplier effect. According to the Milken Institute, the nation’s leading biotechnology clusters are Northern California, Boston, Philadelphia, Los Angeles, and San Diego.

“The US has been phenomenally successful in the life sciences area because the environment for investing has been favorable,” said Mark Heesen, president of the National Venture Capital Association. “Our government must continue to foster innovation by providing grant funding for basic research,

compelling the best and the brightest scientists from around the world to do their work here, and supporting the commercialization of products that are developed here.”

The report *Patient Capital* was co-authored by Anthony Stolis, managing director of Pacific Bridge Life Sciences and David E. Goodman, M.D., of THE WEINBERG GROUP. It was commissioned by the National Venture Capital Association. For information on the methodology or a copy of the report, please contact Emily Mendell at emendell@nvca.org.

About THE WEINBERG GROUP and Pacific Bridge Life Sciences

THE WEINBERG GROUP is a scientific and regulatory consulting firm that helps companies protect their product at every stage of its life, from product development to product defense. For more than 20 years, leading companies in the pharmaceutical, biotechnology, medical device, chemical, consumer product, food and cosmetic industries have depended on THE WEINBERG GROUP when their products are at risk. Our scientific and regulatory experts deliver the crucial results that get products to market and keep them on the market. We help our clients improve manufacturing processes, clear regulatory hurdles, and defend products in the courts and the media.

Pacific Bridge Life Sciences (PBLs) is a San Francisco-based firm that offers sales, marketing, general strategic, and facilities consulting services to life sciences companies and the organizations that service them, including investors, developers, and real estate firms.

About the National Venture Capital Association

The National Venture Capital Association (NVCA) represents approximately 450 venture capital and private equity firms. NVCA's mission is to foster greater understanding of the importance of venture capital to the U.S. economy, and support entrepreneurial activity and innovation. According to a 2004 Global Insight study, venture-backed companies accounted for 10.1 million jobs and \$1.8 trillion in revenue in the U.S. in 2003. The NVCA represents the public policy interests of the venture capital community, strives to maintain high professional standards, provides reliable industry data, sponsors professional development, and facilitates interaction among its members. For more information about the NVCA, please visit www.nvca.org.