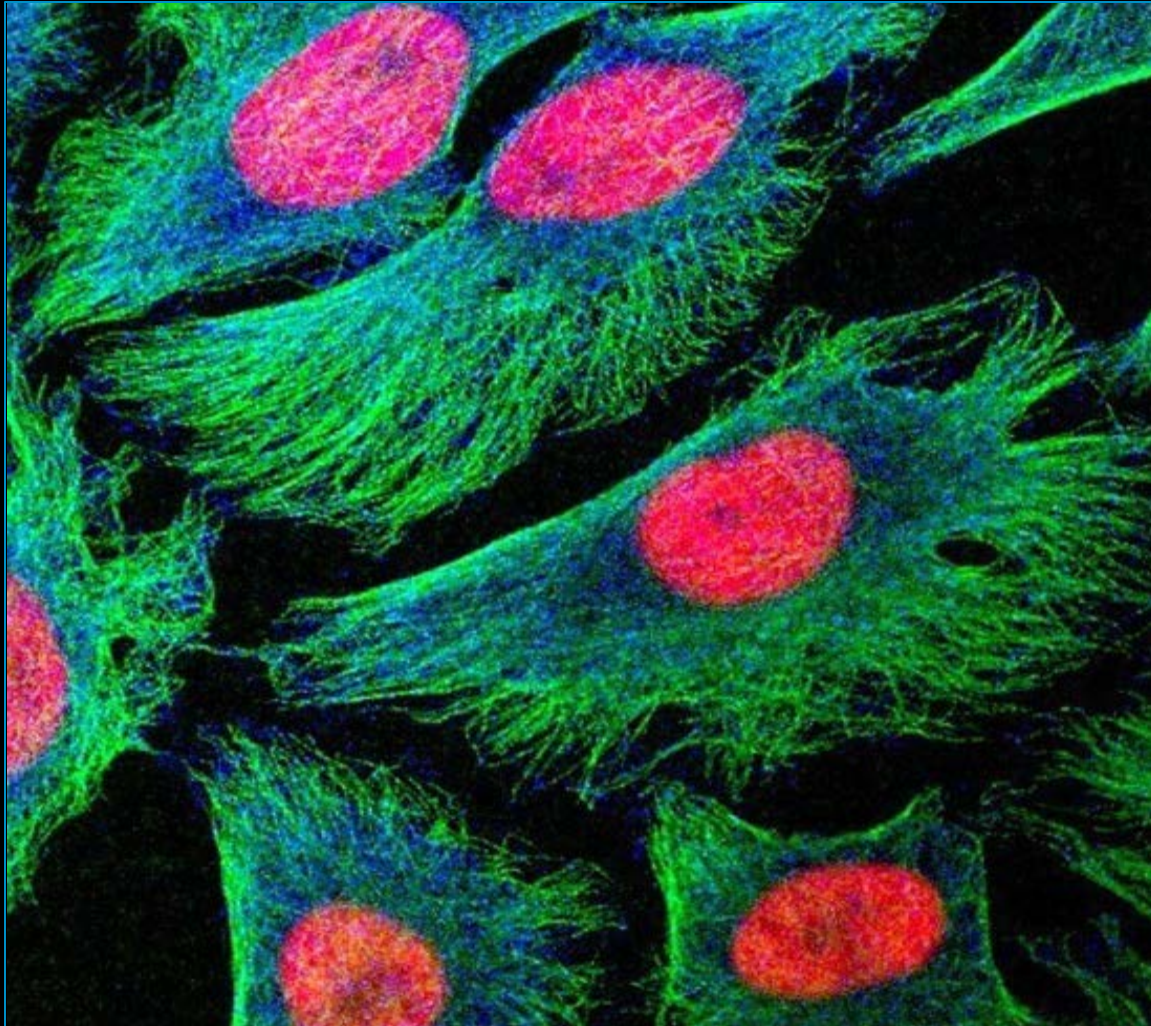


California Biomedical Industry

2012 Report



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CALIFORNIA HEALTHCARE
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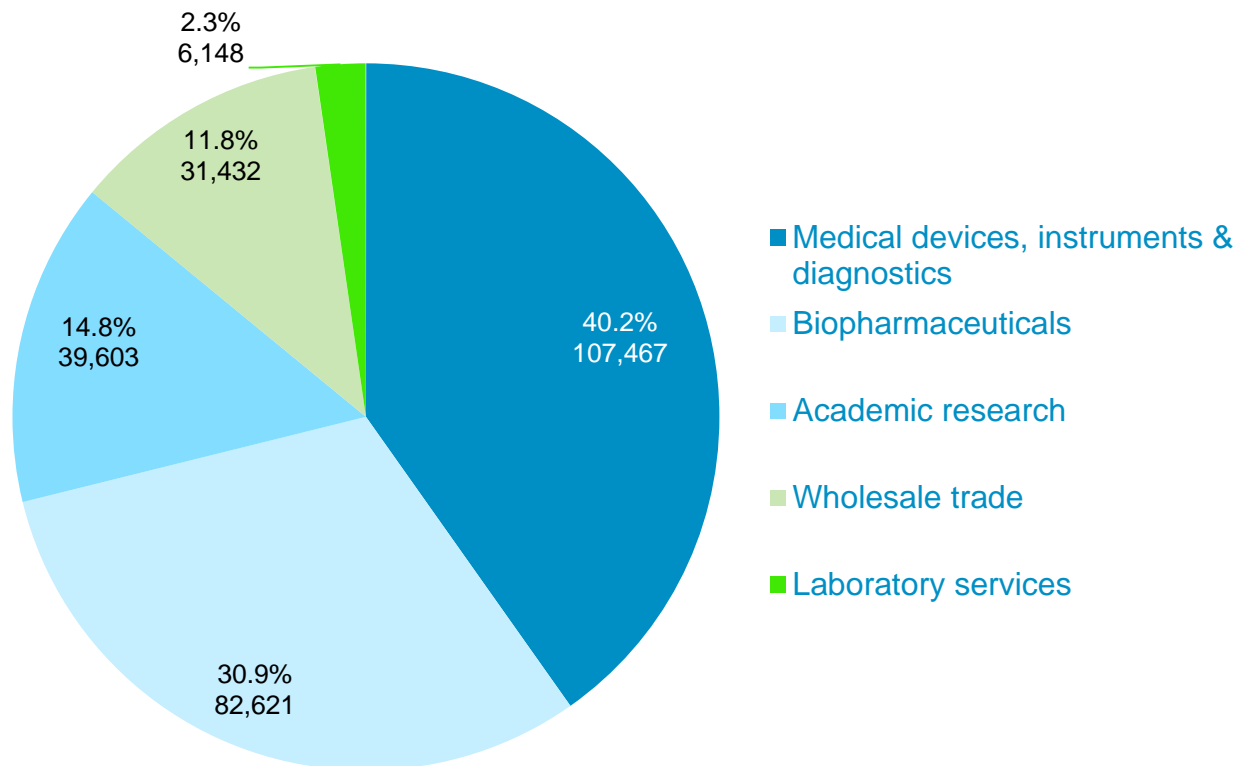
Distribution of employment in California's biomedical industry by sector



Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages and Company Specific SEC filings.

California biomedical employment by sector

California's biomedical industry strength focuses on translating basic research and discovery into treatments that serve patients and their caregivers.



Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages and Company Specific SEC filings.

California total biomedical employment by year

California biomedical job losses precipitated by the financial crisis of 2008 have set the industry back to 2006 employment levels.

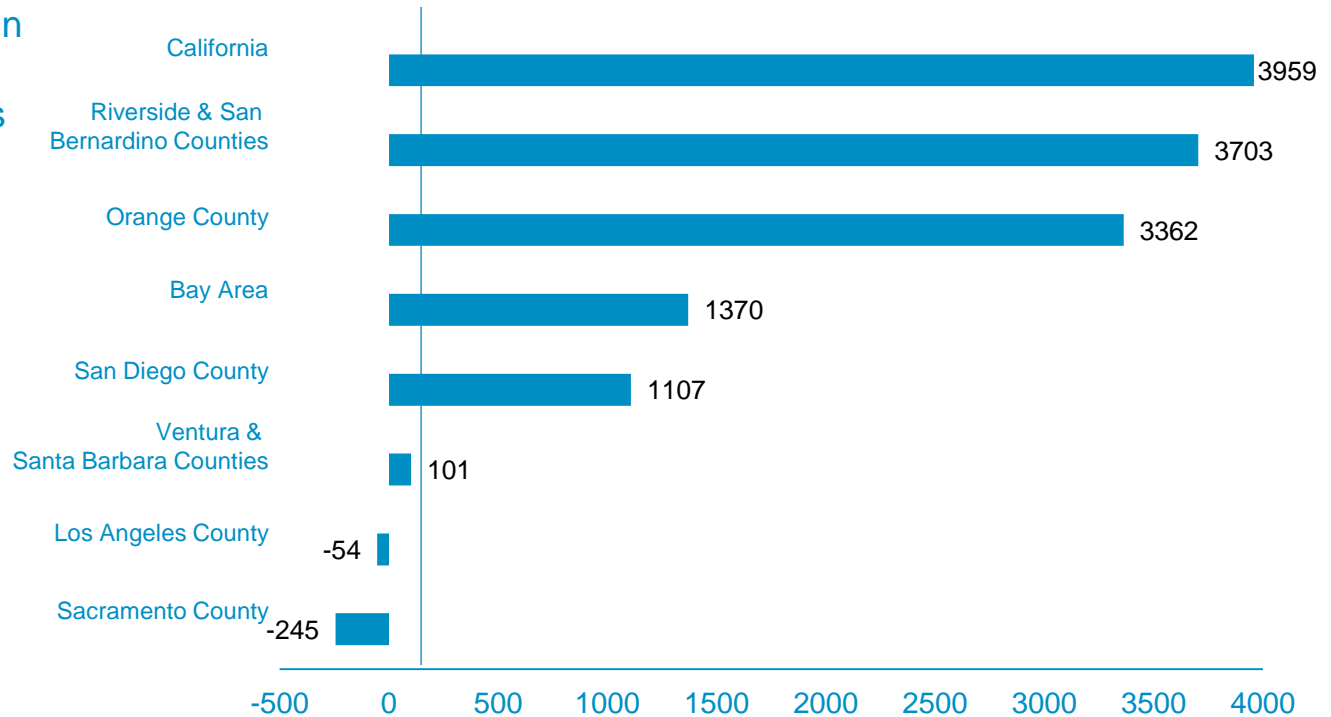


Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages and Company Specific SEC filings.

Changes in California biomedical employment by cluster

(March 2010-March 2011)

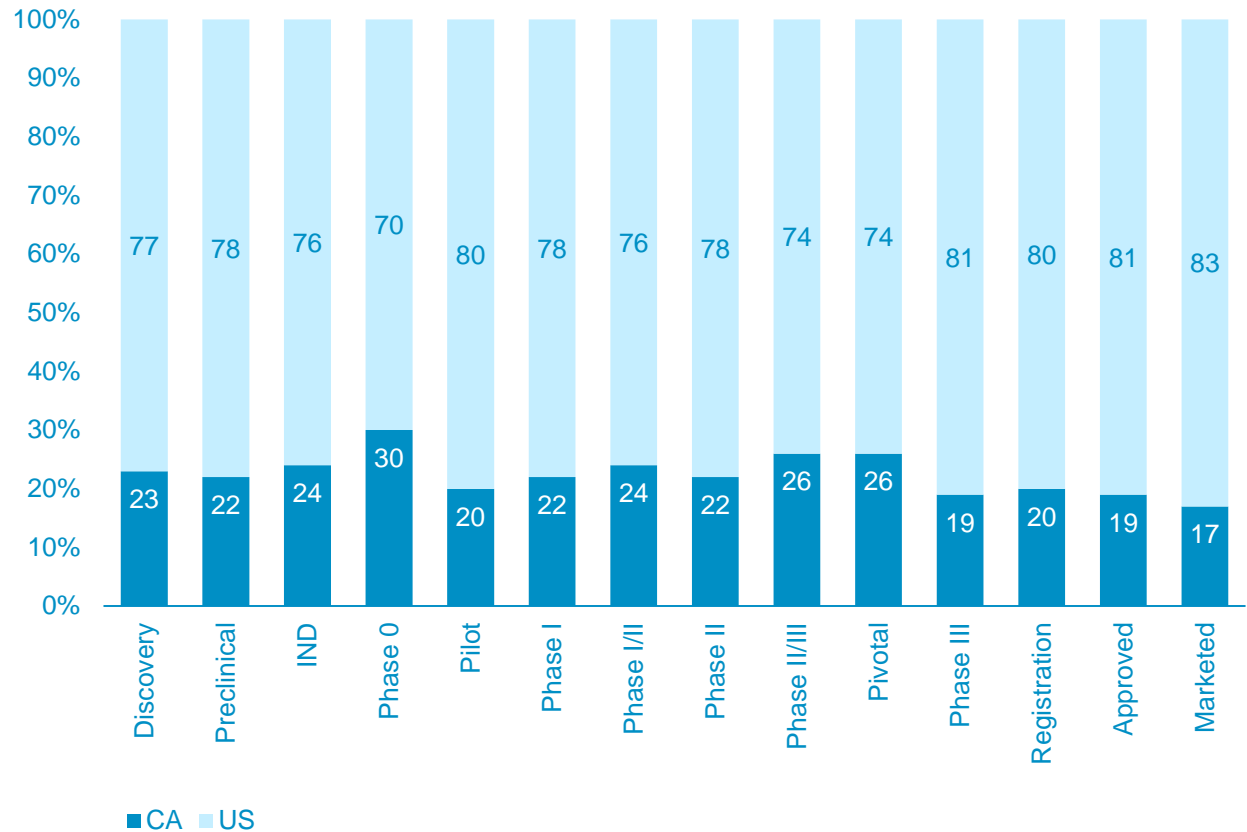
Significant job growth in Riverside and San Bernardino Counties is positive news for an area hard hit by the housing crisis.



Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages and Company Specific SEC filings.

California biotechnology and medical device companies are responsible for 27 percent of the products in the nation's biomedical pipeline.

California companies have 699 products and treatments in clinical development.



Source: BCIQ: BioCentury Online Intelligence

Change in California biomedical employment by sector.

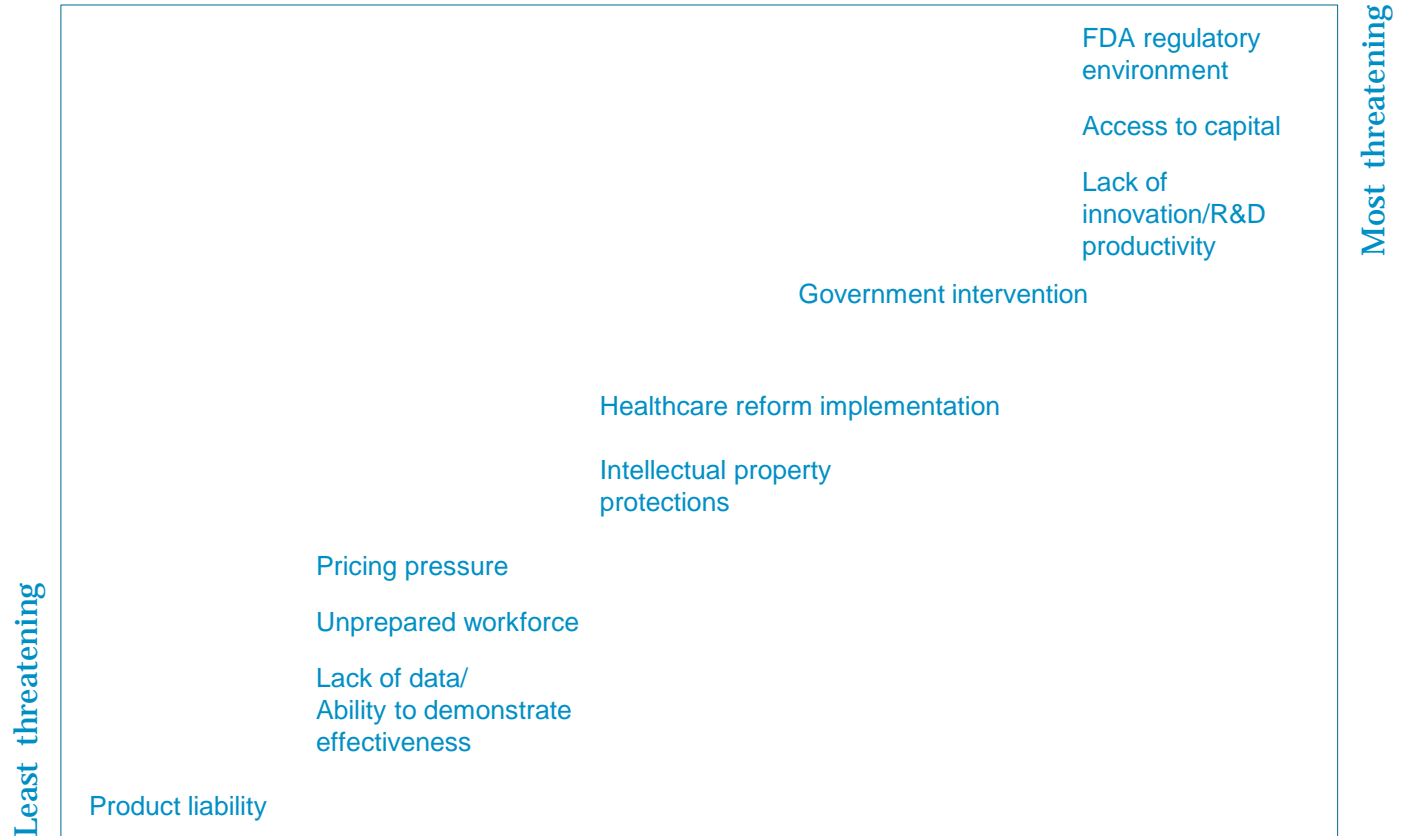
Growth in the biopharmaceutical and wholesale trade sectors helped offset losses elsewhere, netting out to essentially flat industry growth since 2006.

Biomedical sector	2008	2010	Average annual growth rate
Academic research	40,550	39,603	-0.59%
Biopharmaceuticals	77,091	82,621	1.75%
Laboratory services	6,215	6,149	-0.27%
Medical devices, instruments & diagnostics	112,533	107,467	-1.15%
Wholesale trade	30,612	31,432	.66%

Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages and Company Specific SEC filings.

Prioritize the greatest threats to the industry's growth in the next 5 years.

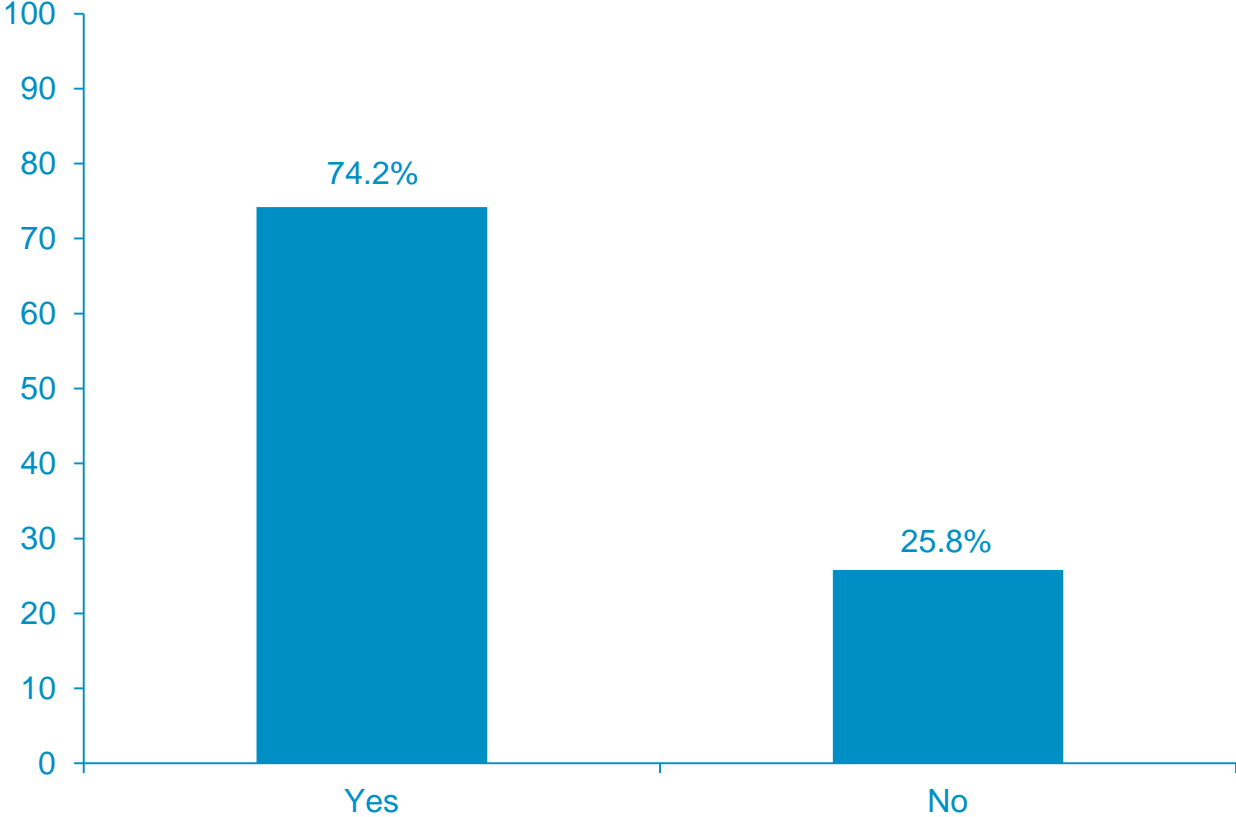
FDA regulatory environment, access to capital result in a lack of innovation/R&D productivity.



Has the company delayed a research or development project in the last year?

(Respondents were allowed to choose one response)

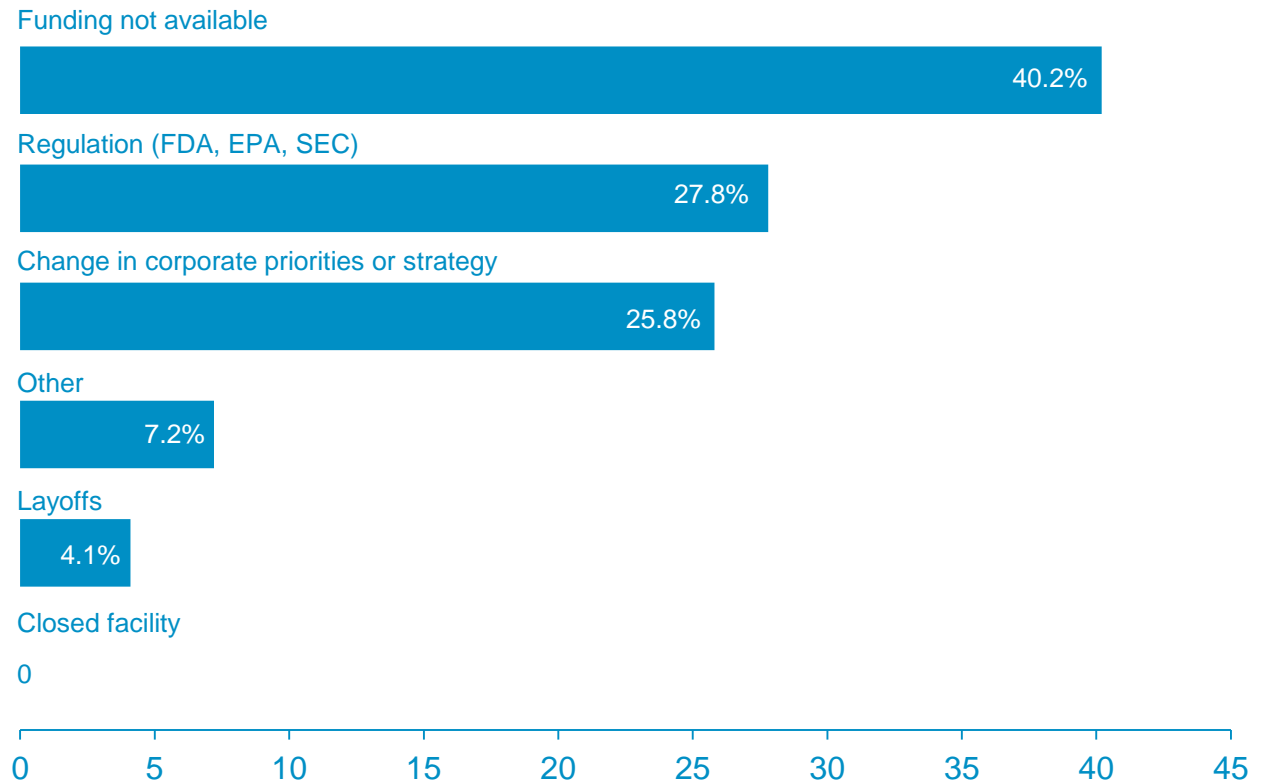
Company research is being delayed.



Why did the company delay the research or development project?

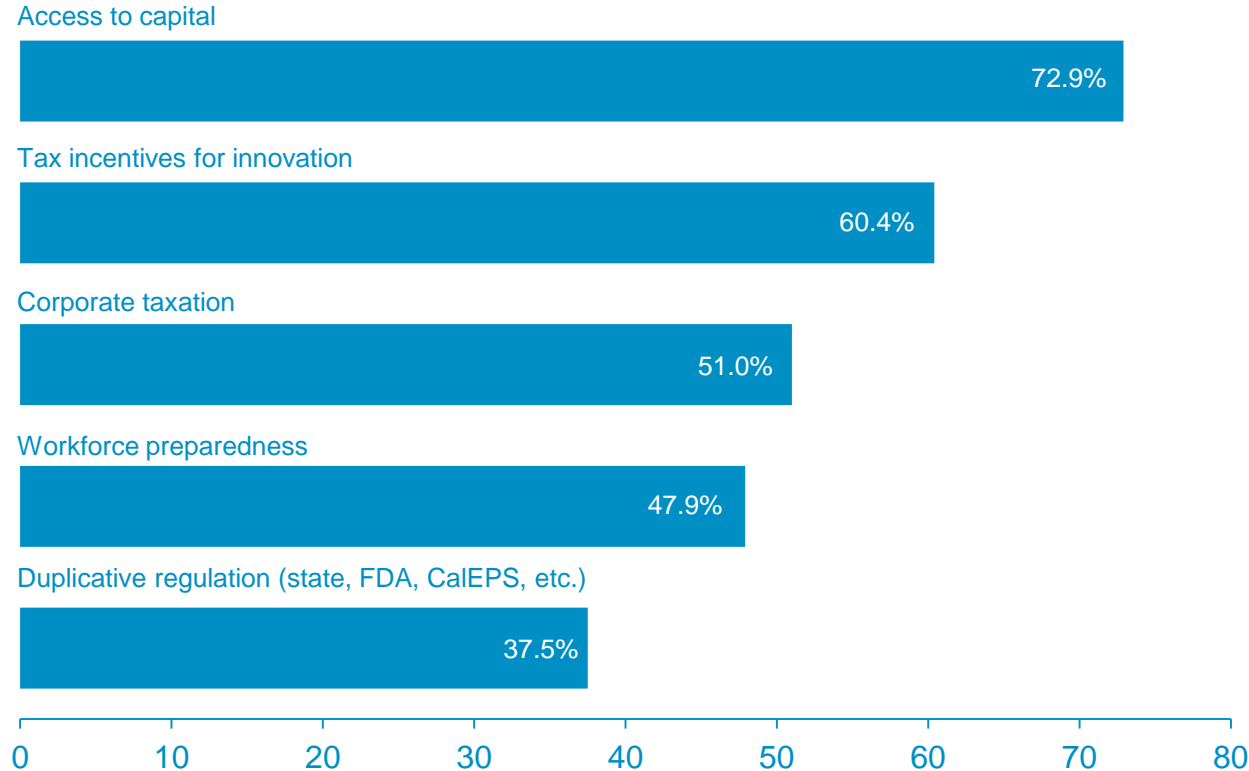
(Respondents were allowed to choose multiple responses)

Funding and regulation hampered R&D activities.



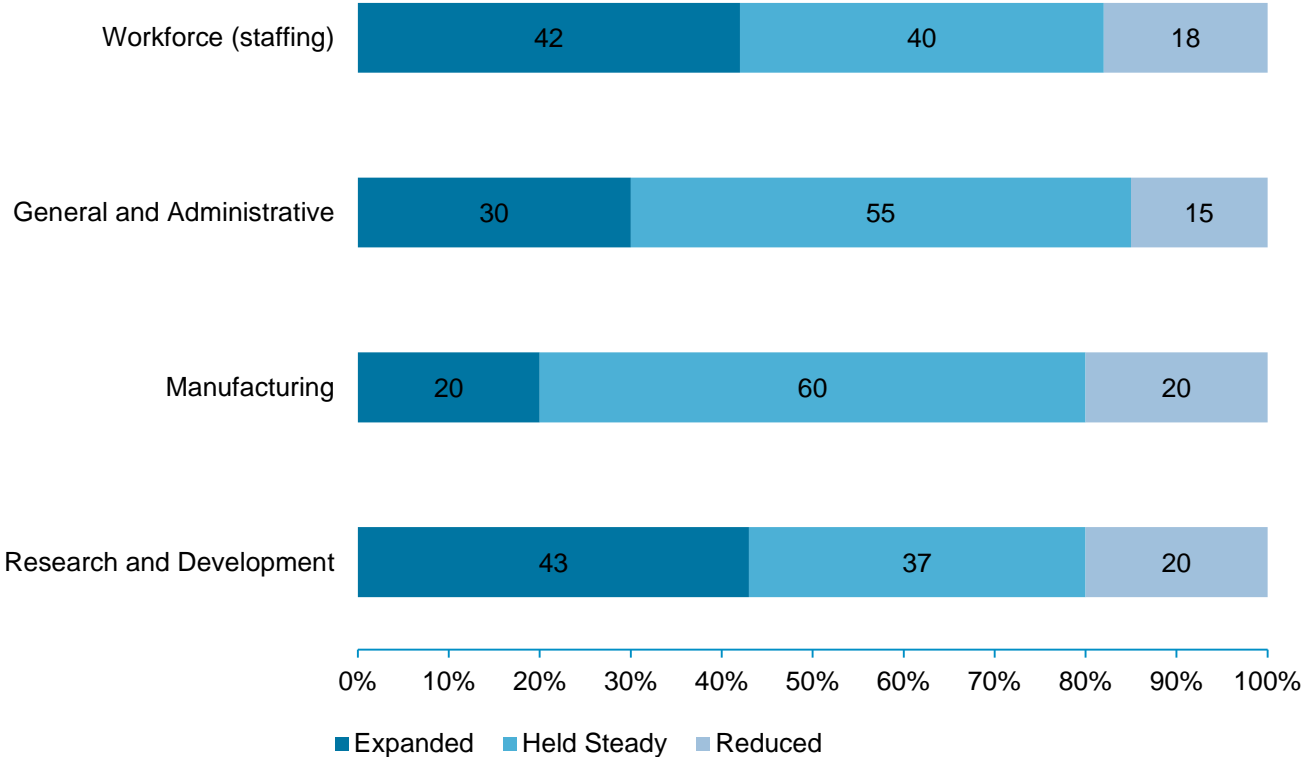
Rate the influence each of these STATE policy issues has on the industry's ability to keep biomedical research, innovation and investment in California.

Access to capital is the most influential state policy to keep innovation in California.



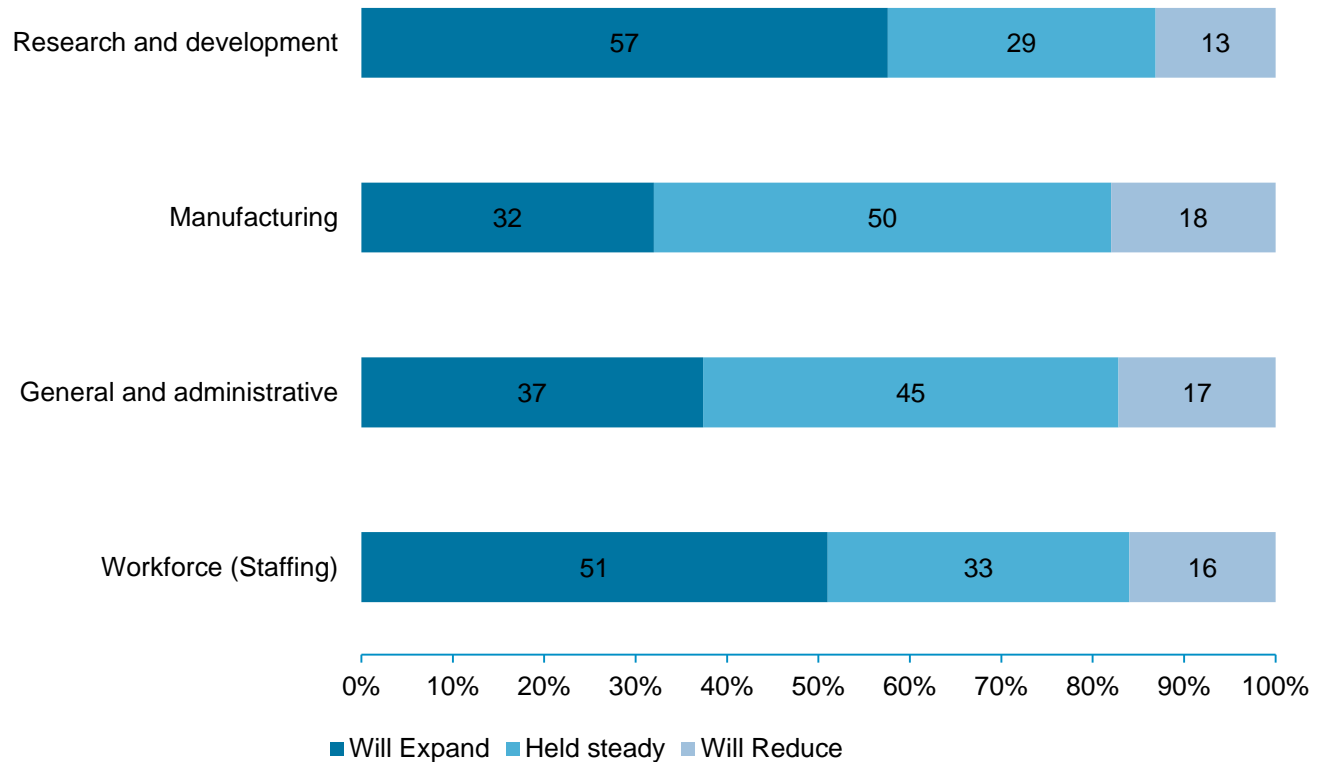
Have the following activities expanded, held steady or reduced for the company's operations inside California in the past year?

More biomedical companies held their operations steady or expanded during the past year than reduced operations.



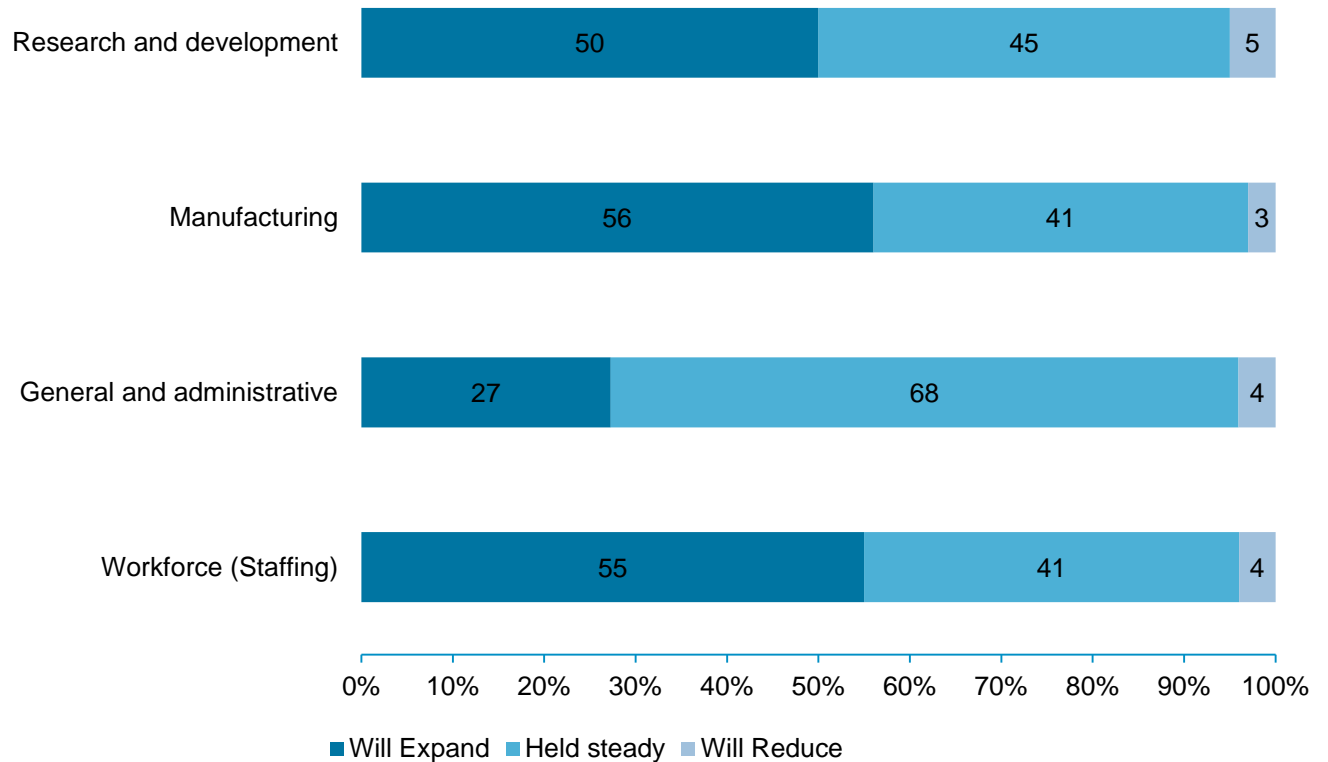
Will the following activities expand, hold steady or reduce the company's operations inside of California over the next two years?

57 percent of CEO's anticipate R&D activity to expand inside California.



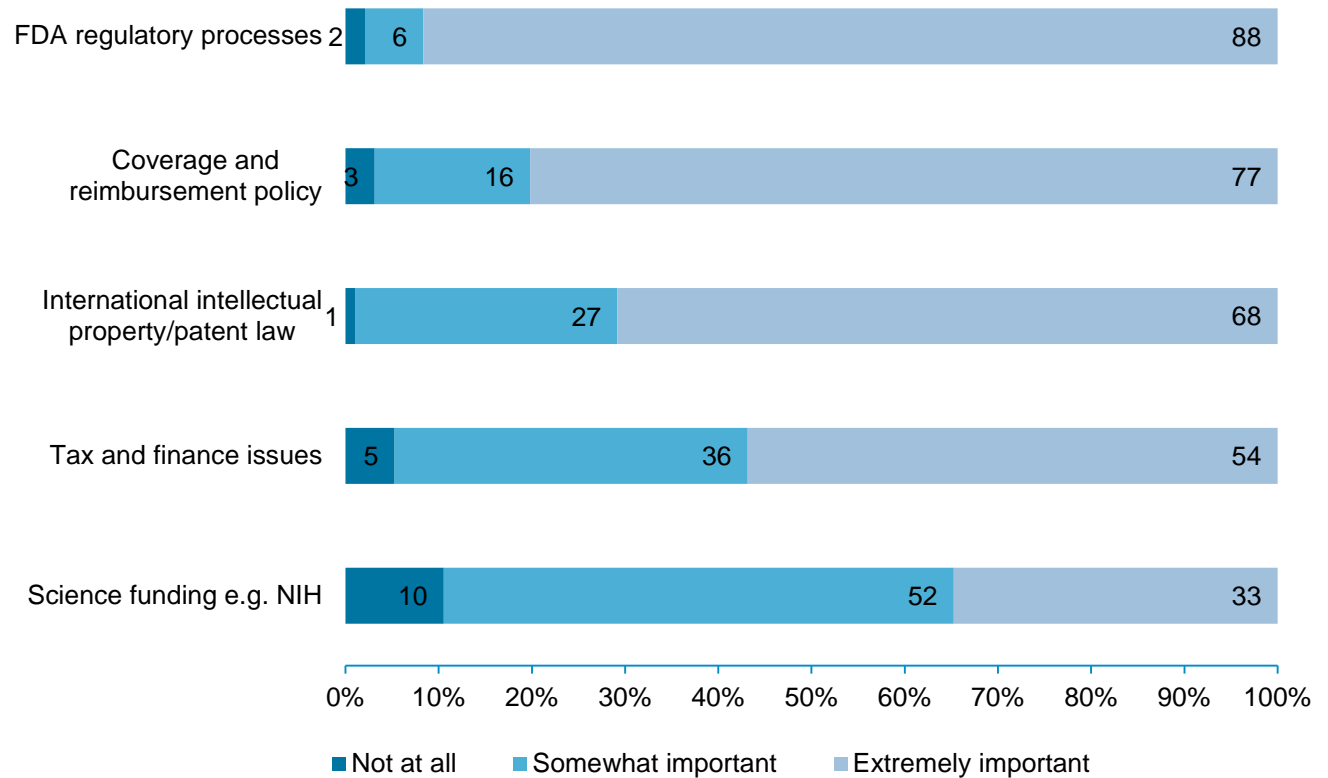
Will the following activities expand, hold steady or reduce the company's operations outside of California over the next two years?

56 percent of CEOs anticipate manufacturing activity to expand outside California.



Rate the influence each of these FEDERAL policy issues has on the industry's ability to advance biomedical research, innovation and investment in California.

FDA reform is the number one federal issue affecting R&D.



To what extent do you agree with each of the following statements

Industry confidence in the FDA is low.

The current FDA approval process has **slowed the growth** of our organization



The U.S. FDA regulatory approval process is the **best in the world**



Within 5 years another **state** could conceivably recreate the ecosystem that has made California the leading biomedical region in the world



Within 5 years another **country** could conceivably recreate the ecosystem that has made the U.S. the leading biomedical region in the world

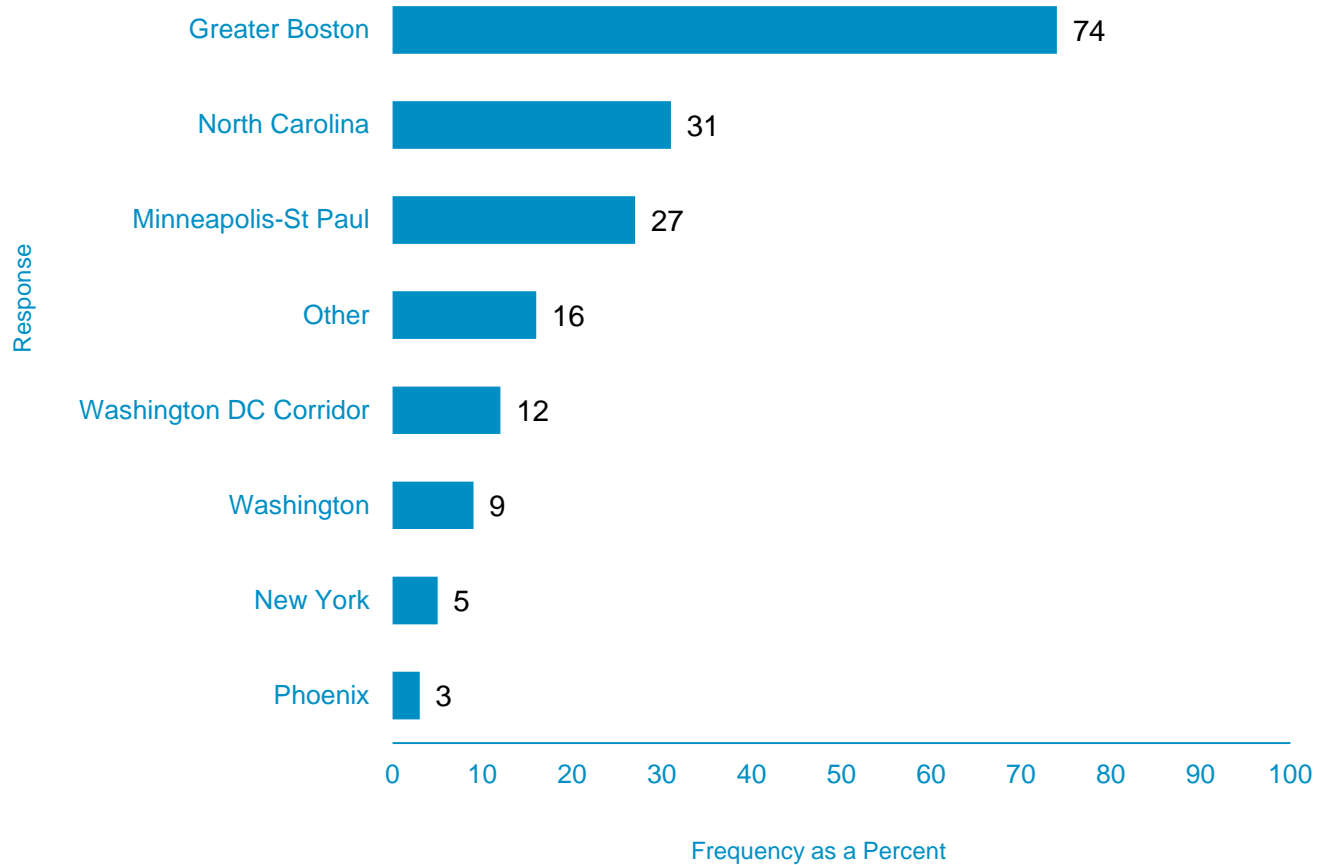


0% 20% 40% 60% 80% 100%

Strongly disagree Disagree Agree Strongly agree

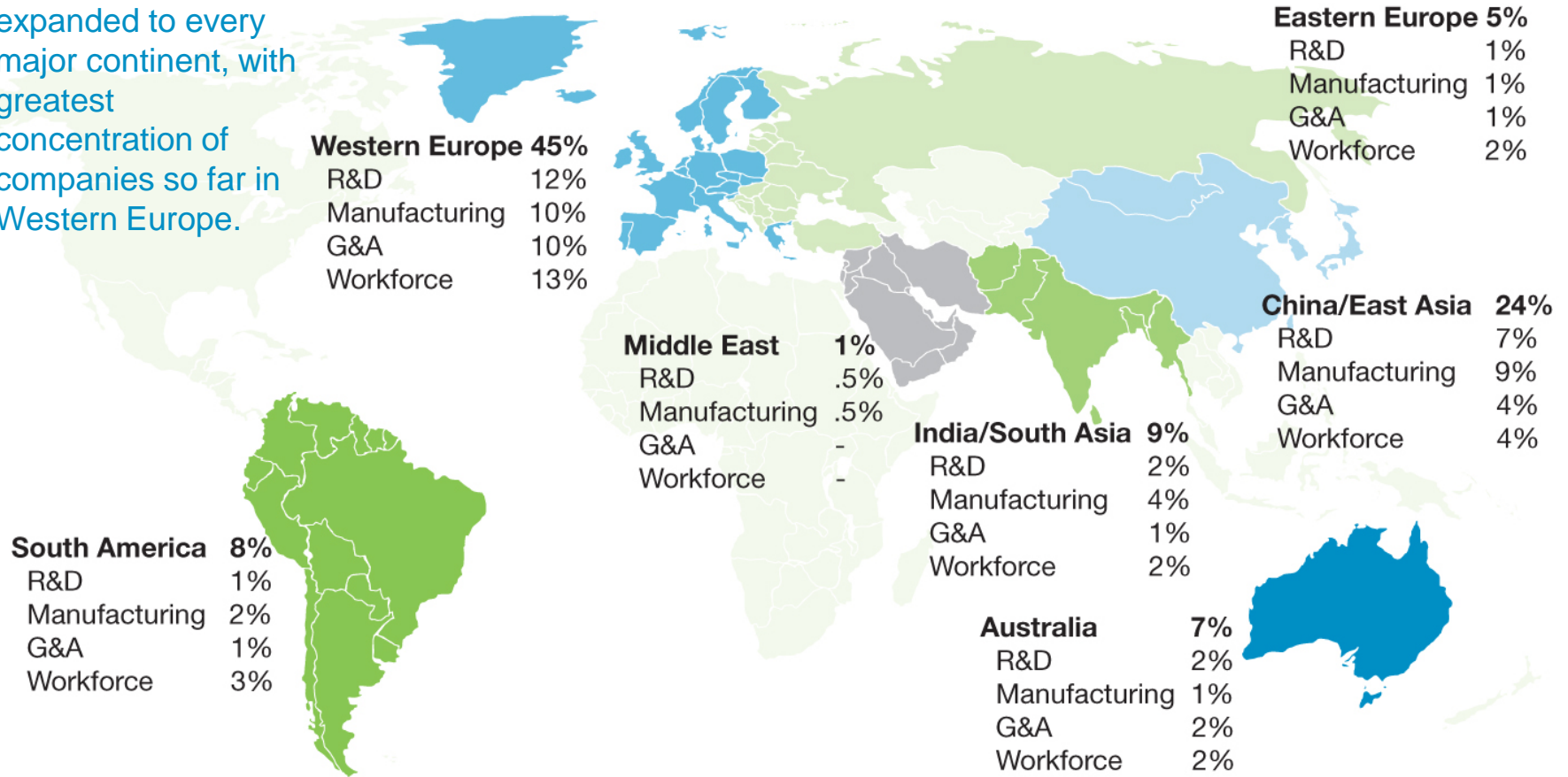
Most attractive biomedical markets for research and development outside of California

Other states and countries are competing for California biomedical operations.



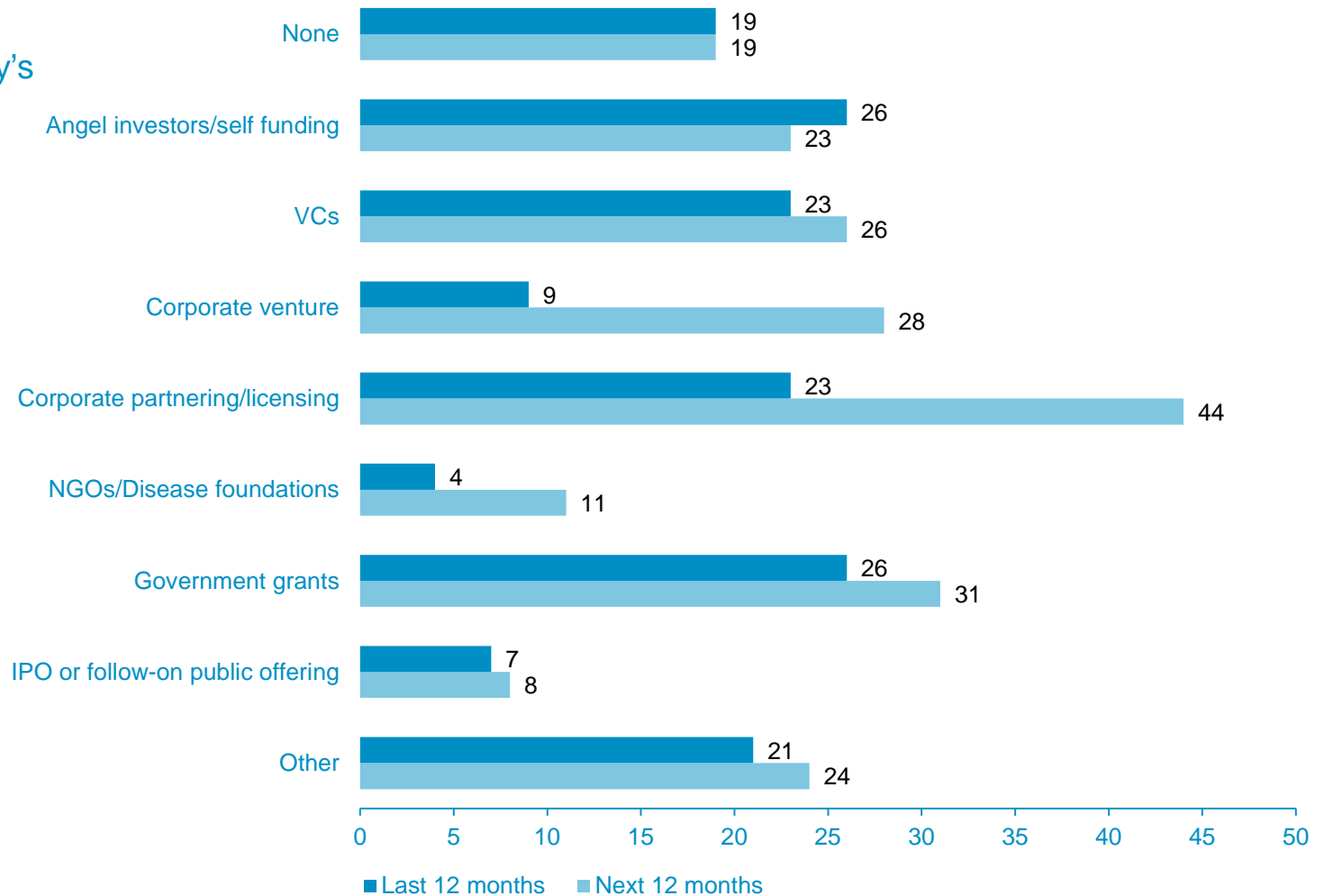
Companies are expanding operations to international markets

Operations have expanded to every major continent, with greatest concentration of companies so far in Western Europe.



Indicate which of the following finance sources you utilized last year and which you plan to use in the coming year:

Shifts in financing reflect the industry's ability to adapt to economic challenges.



For more information

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