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PRESS RELEASE

## **BIACORE CEO LAYS OUT STRATEGY FOR FUTURE GROWTH IN POTENTIAL US\$1 BILLION AFFINITY BIOSENSOR MARKET**

**New Focus in Drug Discovery Upstream and Downstream of HTS and on Mid- Sized Laboratories in the Basic Life Science Market**

Speaking at this year's Carnegie Nordic Healthcare Seminar in London, Lars-Göran Andrén, President and CEO of Biacore International AB, said he believes that the markets served by its affinity biosensors could grow from its current size of about US\$40M to almost US\$1B within the coming decades. He highlighted Biacore's strategy to create market share from this untapped potential, with key investment areas being the basic life science markets as well as new areas in drug discovery and development.

"Biacore has created the market for affinity biosensors from nothing in the past 10 years and today we still dominate the market with over 90% share by value", stated Lars-Göran Andrén. "Affinity biosensors have universal application and have the potential to be as widely used as HPLC\* is today – and that is a US\$1.7 B market where, incidentally, the first entrant – Waters, is still the market leader. We believe that the affinity biosensor market could eventually grow to US\$1B and we are determined that Biacore will remain the market leader".

He laid out his strategy for market expansion over the coming years. This includes:

- Continued focus on basic life science research, targeting centers of excellence as well as the untapped potential for mid-sized laboratories.

This market is growing by at least 10% per annum. The current academic market for biosensors is worth some US\$25M and the untapped potential in mid-sized laboratories could double this over the next few years.

- Developing products for the drug discovery and development markets, which are estimated to be growing in key areas in excess of 20% per annum. Biacore has already launched BIACORE®3000, which has applications upstream of high-throughput screening (HTS) in, for example, target identification and validation. In addition, the Company has recently announced its commitment to R&D in this area with US\$8 million of its current R&D budget (the greatest proportion) being spent over the next two years on developing innovative new products that will help improve the pharmaceutical industry's clinical candidate hit rate. Specifically, applications will be developed in the areas of lead characterization, lead optimization and early ADME\*\* studies. This month Biacore announced it had signed a deal with US-based Bioreason Inc. for the development of an integrated early ADME system.

Recent reports have underlined the market need for the Biacore approach:

Michael Pavia, VP Technology Development, Millennium Pharmaceutical Inc. announced at a drug discovery conference in August that, "Millennium hopes to expand its (BIACORE) platform beyond drug discovery – for example it could be used to identify pre-clinical candidates with better ADME profiles". This opportunity was also highlighted in this month's Nature Biotechnology (vol. 17, page 862), which stated that,

"... as automated HTS churns out increasing numbers of lead compounds, ADME researchers are finding themselves overwhelmed ... the guiding principle is to, "fail fast and fail cheap". Biacore clearly believes that it has significant benefits to offer the pharmaceutical industry in this area.

"Biacore is at an exciting stage of development, poised to expand and exploit these major market opportunities", concluded Lars-Göran Andrén.

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*\* HPLC stands for High Pressure Liquid Chromatography and is a technology used among other things for separation and quantification of molecules.*

*\*\* ADME stands for absorption, distribution, metabolism and excretion and represents the pharmaceutical characterization of new drug candidates.*

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*Biacore is a global market leader in affinity-based biosensor technology. Target groups consist primarily of medical and life science research laboratories. However, expansion is also being pursued in other areas, such as food analysis. Biacore had sales of SEK 288.8 million in 1998 and an operating income of SEK 52.8 million. Based in Uppsala, Sweden, the company is listed on the OM Stockholm Exchange and NASDAQ in the U.S.*

*Further information on Biacore can be found on the web: [www.biacore.com](http://www.biacore.com)*

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