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## **Biovitrum sharpens strategic focus, increases resources to later development phases and restructures early discovery**

Biovitrum's project portfolio has developed very positively during 2005. It has today several projects in or near clinical phase within diabetes, obesity, eye diseases and inflammation. The portfolio has advanced both with projects from internal research and through external collaborations and acquisitions.

During 2005 Biovitrum acquired Cambridge Biotechnology in the UK, with drug discovery focused on obesity, pain and inflammation and Arexis in Sweden, specialized in the development of pharmaceuticals for the treatment of metabolic and inflammatory diseases. A collaboration agreement with Swiss-based Santhera has been signed to develop pharmaceuticals for the treatment of type 2 Diabetes and other metabolic diseases.

To be able to forcefully drive the promising drug development portfolio forward, increased resources have to be committed to the later phases of development. A proposal on prioritizations and cost savings in the early research operations is in progress.

The proposed actions will lead to a sharper focus as well as to allocating a larger share of internal resources to the later development phases of new pharmaceuticals e.g. late lead optimization, preclinical and clinical development. Biovitrum's strategy is to combine internal discovery with external collaborations and acquisitions. The last six months' successful development of the portfolio shows the strength of this approach and how it contributes to building a sustainable project portfolio.

Biovitrum will maintain its own research, but in new operating models on the basis of smaller units. Biovitrum will thus continue to invest in innovative early pharmaceutical discovery research both in Sweden and in the UK. Layoffs within early discovery may be necessary. Between 70 and 100 employees could be affected. Consultations with the local unions have started.

-We do this with a firm and strong belief that we can create a viable and successful pharmaceutical company with sustainable profitability in a sharp and competitive marketplace. Unfortunately, this sometimes means restructuring of operations, which often involves redundancies, says Mats Pettersson, CEO of Biovitrum.

## **Biovitrum**

Biovitrum is one of the largest biotech companies in Europe, with operations in Stockholm, Gothenburg and Uppsala in Sweden and in Cambridge in the UK. Biovitrum combines research and development with commercial operations. Research and development focus on development of new pharmaceuticals for treatment of obesity, diabetes and inflammation as well as within the therapeutic areas of eye diseases and cancer. Biopharmaceuticals develops and produces protein-based drugs on a contractual basis. Biovitrum also markets a number of specialist pharmaceuticals primarily in the Nordic countries. Within Biovitrum over 300 employees work within R&D and over 200 in Biopharmaceuticals and Marketing and Sales of specialist pharmaceuticals. For more information see [www.biovitrum.com](http://www.biovitrum.com).

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