



BIOTECCanada

Annual Report 2007



BIOTECANADA 2007 ANNUAL REPORT

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About BIOTECanada – www.biotech.ca

BIOTECanada is dedicated to the sustainable commercial development of biotechnology innovation in Canada. It is the national industry-funded association with over 250 member companies representing the broad spectrum of biotech constituents including emerging and established firms in the health, industrial, and agricultural sectors, as well as academic and research institutions and other related organizations.

Message from the President and CEO

This year marked the 20th year of the national association representing the biotechnology research and industry in Canada.

Incorporated as the Industrial Biotechnology Association of Canada in 1987, BIOTECanada has worked for 20 years to establish a national voice dedicated to showcasing the capacity and potential of biotechnology to Canadians. The leadership from those early days envisioned a vital, diverse and ever growing national network whose members would establish meaningful dialogue with decision makers.

Today, I believe they would be proud of what has become of their efforts. With our membership at its largest level ever, a set of policy platforms designed to build on our industry excellence, and a vibrant program of business development opportunities, BIOTECanada has never been stronger. Thanks to you the members, who have brought us to this point in our history, our agenda of programming for 2007 was a milestone in the development of the association.

The past year has also seen unprecedented levels of membership growth in all sectors of our association.

Our Board of Directors at their December 2006 meeting approved a strategic plan for the association

The financial framework of our Association continues to remain a key priority for us. We established an aggressive membership recruitment plan for 2007 to assist us in meeting our overall objectives.

To ensure the value equation of membership within our organization we established new business solutions and marketing opportunities to help highlight the Canadian industry at home and abroad.

Our 2007 advocacy was marked by significant progress in key health, agricultural and intellectual property issues.

2007 also marks the fourth year of National Biotechnology Week. Led by our Biotech Accord partners, more than 70 organizations throughout the country participated this year in this celebration of Canadian biotechnology excellence.

On behalf of our Board of Directors and our entire staff team let me offer our sincere thanks for your ongoing commitment to the national association.



A handwritten signature in black ink, appearing to read 'Peter A. Benders'. The signature is stylized and fluid.

Peter A Benders
President & CEO

2007 Association Achievements

- Thanks to BIOTECanada advocacy, Minister Flaherty signed the renegotiated US-Canada Tax Treaty with recognition for Limited Liability Companies under the treaty.
- SR&ED advocacy resulted in a government commitment to review this important tax credit and the launch of an official consultation process to review the program.
- Developed Canadian Industry Principles for Subsequent Entry Biologics and formed a BIOTECanada task force to address SEB issues.
- Appeared before the Standing Committee on Health calling for greater accountability for the Common Drug Review, and a separate review mechanism for biologics and orphan products.
- Developed terms of reference for a BIOTECanada CDR Working Group.
- Engaged PMRPD on implementation for the Dovobet decision, and accomplished a delay in provisions to potentially eliminate the compassionate drug program. This engagement established BIOTECanada members as key PMPRB stakeholders.
- Sought intervener status in *Eli Lilly v Novopharm* and *Apotex v Sanofi-Aventis*.
- Partnered with the Canadian Organization for Rare Disorders to implement four workshops designed to highlight the need for a Canadian Orphan Drug Policy. Participated in F/P/T consultations on drugs for rare diseases.
- Established partnership with the American Association of Pharmaceutical Sciences for their upcoming 2008 National Biotechnology Conference in Toronto.
- Adopted the Product Launch Stewardship program and agreed in principle to adopt the Excellences through Stewardship program in principle, for agricultural biotechnology.
- Developed an industry-wide set of access and benefits sharing principles for use by Foreign Affairs and Environment Canada.
- Profitably delivered the 2007 Agri-Food Innovation Forum in partnership with Ontario Agri-Food Technologies. Minister Ritz addressed the conference and toured the Green Kitchen display.
- Partnered with Bio-Alberta to develop the 2007 ABIC Conference.
- Advanced the BIOTECanada *Data Ownership and Protection Whitepaper*.
- Successfully lobbied the federal government to dedicate \$300 million in 2007 for new vaccine programs.
- Developed and lead a bar-coding conference in January 2007, and delayed implementation of Canadian barcode standards.
- Participated actively with different vaccine groups, becoming a key stakeholder in the annual Canadian Immunization Committee meetings; establishing a pre-conferences seminar at the Canadian Association for Public Health Annual Conference; and commenting on the role of the pharmaceutical industry in the promotion of vaccines at the 2007 JASP conference
- Launched National Biotechnology Week with the best attended launch ever in Winnipeg. The week was recognized in Parliament, as well as through several provincial declarations.
- Hosted advocacy events including Biotech 101, National Advocacy Day with 33 meetings and 4 regional roundtables.; and appeared before three Parliamentary committees
- Completed the transition from Bioproducts Canada into BIOTECanada

BIOTECanada Board of Directors 2007 to 2008

Chair

Rainer Engelhardt, CEO, GangaGen Life Sciences Inc.

Vice Chair

Simon Pimstone, President & Chief Executive Officer, Xenon Pharmaceuticals Inc.

Treasurer

Deborah Brown, Regional Vice President, Canada & Oceania, EMD Serono Canada Inc.

Member at Large

René Douville, Director, RBC Capital Markets

Directors

Art Stirling, Government & Industry Relations Manager, Pioneer Hi-Bred Limited

Peter Brenders, President and CEO, BIOTECanada

Randal Chase, President & CEO, ImmunoVaccine Technologies

John Langstaff, President & CEO, Cangene Corp.,

J. Mark Lievonen, President, Sanofi Pasteur Limited

Ross MacLachlan, President & CEO, Lignol Energy

Peter Matthewman, Chief Operating Officer, Performance Plants

Yves Rosconi, President & CEO, Theratechnologies Inc.

Jane Steinberg, Life Sciences Group Leader, Gowlings

Andrew Sheldon, President & CEO, Medicago Inc.

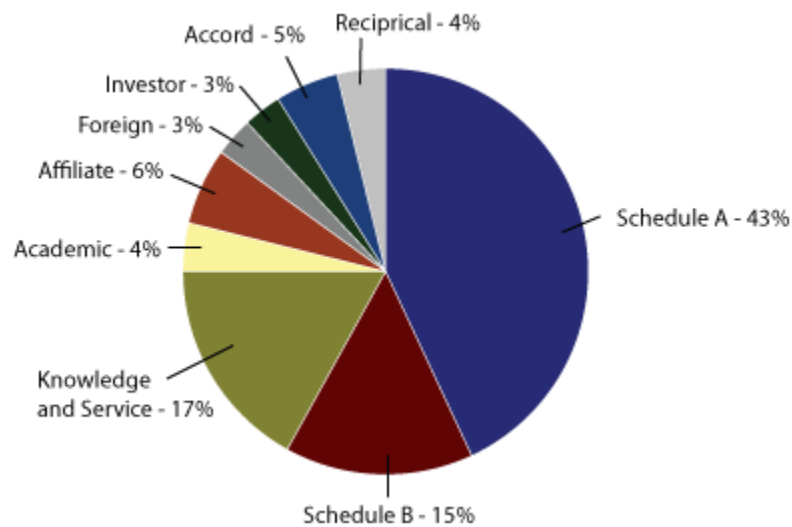
D. Wayne Taylor, Director Health Leadership Institute, DeGroot School of Business

Ilse Treurnicht, President & CEO, MaRS Discovery District

Alan Wildeman, VP Research, University of Guelph

Jim Willoughby, Vice President of General Counsel & Corporate Secretary, Hoffmann-La Roche

BIOTECanada Membership Breakdown



BIOTECanada Staff 2007

Peter Brenders, President and CEO

Betsy Bascom, Vice President, Business Development and Member Services

Cate McCready, Vice President, External Affairs

Philip Schwab, PhD, Vice President, Industry Relations

Graeme Fraser, Director of Health Policy

Rhowan Sivel, Senior Manager, Marketing and Programs

Janice Burke, Manager, Finance and Administration

Aurelina Arruda, Executive Assistant



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AUDITORS' REPORT TO THE MEMBERS

We have audited the statement of financial position of Association BIOTECanada Association as at December 31, 2007 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Association BIOTECanada Association as at December 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Canada Corporations Act, we report that, in our opinion, except for the change in the method of accounting for financial instruments, as explained in note 1 to the financial statements, these principles have been applied on a basis consistent with that of the preceding year.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small upward tick at the end.

Chartered Accountants, Licensed Public Accountants

Ottawa, Canada

February 29, 2008

ASSOCIATION BIOTECCanada ASSOCIATION

Statement of Financial Position

December 31, 2007, with comparative figures for 2006

	2007	2006
Assets		
Current assets:		
Cash	\$ 145,268	\$ 260,361
Short-term investments (note 3)	871,510	823,730
Accounts receivable	164,457	75,117
Prepaid expenses	23,761	38,153
	<u>1,204,996</u>	<u>1,197,361</u>
Long-term investments (note 3)	787,958	797,394
Capital assets (note 4)	102,946	12,374
	<u>\$ 2,095,900</u>	<u>\$ 2,007,129</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 338,741	\$ 218,203
Deferred revenue (note 5)	517,423	595,803
	<u>856,164</u>	<u>814,006</u>
Net assets:		
Invested in capital assets	102,946	12,374
Unrestricted	1,136,790	1,180,749
	<u>1,239,736</u>	<u>1,193,123</u>
Commitments (note 7)		
	<u>\$ 2,095,900</u>	<u>\$ 2,007,129</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

ASSOCIATION BIOTECCanada ASSOCIATION

Statement of Operations

Year ended December 31, 2007, with comparative figures for 2006

	2007	2006
Revenues:		
Membership fees	\$ 1,147,662	\$ 1,022,127
Sponsorship	610,899	527,964
Non-membership	654,758	486,180
Investment	66,108	52,257
	<u>2,479,427</u>	<u>2,088,528</u>
Expenses:		
Amortization of capital assets	24,540	7,901
Bad debts	13,913	9,336
Consulting fees	247,419	125,945
Marketing and publications	371,058	391,432
Meetings and conferences	209,209	176,775
Office and operating	271,496	253,202
Professional fees	86,394	64,231
Salaries and benefits	974,816	814,459
Travel and representation	227,427	182,985
	<u>2,426,272</u>	<u>2,026,266</u>
Excess of revenues over expenses	<u>\$ 53,155</u>	<u>\$ 62,262</u>

See accompanying notes to financial statements.



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