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Capacity Utilization in Biopharmaceutical Manufacturing Down 8% in 2005

September 27, 2005 (Washington, DC) – Overall capacity utilization by biopharmaceutical developers and contract manufacturers declined in 2005, by 8% compared to 2003. The decrease is a result of continued industry expansion, and continued improvements in yield from existing facilities. Despite this, some segments of the industry, including larger biopharmaceutical developers, continue to experience capacity constraints.

These results, from the 3rd *Annual Report and Survey of Biopharmaceutical Manufacturing, Capacity and Production*, are part of a recently released annual industry survey by BioPlan Associates, Inc. The report details and analyzes industry benchmarks and trends: capacity utilization for production systems in mammalian, microbial, and yeast systems; factors causing capacity constraints; planned capacity expansions; outsourcing trends and factors; use of disposable manufacturing technologies; purification, and training benchmarks in the industry.

Capacity utilization for manufacturers using mammalian cell culture systems is currently 68.8%, compared with microbial fermentation, where capacity utilization is 60.5%. As a comparison, the US Federal Reserve Statistical Release showed that for all US industries, capacity utilization for July 2005 was 79.7%.

The decrease in perceived capacity utilization since 2003 is partly a reflection of the continued industry expansion of capacity. Additionally, the failure of a few large volume late stage products, along with continued improvements in expression levels and yield, may be reducing capacity utilization.

A large number of facility expansions and renovations took place in the CMO industry. Several contract manufacturers have brought new capacity on-line and this capacity may not yet be fully utilized. The lower perception of utilization of capacity at CMO's is also reflected in the growing industry perception that the recent "capacity crunch" is behind us.

Of the respondents engaged in mammalian cell culture, approximately 11% indicated their production capacity was greater than 75,000 liters. This is in contrast to the situation just a couple of years ago when only three companies had greater than 50,000 liters of mammalian cell culture capacity

The study included responses from 187 biopharmaceutical developers and CMOs from 23 countries. It is published by BioPlan Associates, Inc., which has provided market assessment and market research to biopharmaceutical, biotechnology, and healthcare companies since 1989. The report is available from the publisher: BioPlan Associates, Inc. 15200 Shady Grove Road, Suite 202, Rockville, MD 20850 Tel: 301-921-9074 (www.bioplanassociates.com).

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