



Press Release

Nordic/Baltic campaign launched to help Young Innovative Companies

Brussels, November 18, 2005:

Five national biotech associations representing the Swedish, Finnish, Norwegian and Estonian biotech industries today announced that they have started a joint-project aimed at the evaluation of a national implementation of the Young Innovative Company (YIC) status to support the creation and development of globally competitive R&D driven companies. The project is supported by France Biotech, the French biotech association, EuropaBio, the European Association for Bioindustries and is funded by the European Commission.

The YIC status is based on social cost and tax exemptions, allowing companies to re-invest the savings in R&D. A higher investment in R&D will help to reduce the time-to-market of internally developed products and technologies. On the short term, the implementation of the YIC status on a national level requires an initial investment from national governments as it decreases tax and other fiscal revenues. However, in the longer term, tax revenues will significantly increase as new companies and jobs are created, resulting in a positive investment balance as well as increased economic growth.

In 2004, France was the first country to adopt a YIC-based fiscal regime (1), exempting companies up to 8 years old from all taxes and social contributions. Today, more than 1,000 French companies have opted for the YIC status, including 150 biotech companies. Earlier this year, the Belgian government also decided to adopt a YIC-based status in mid-2006, and will consequently be the second European country to implement an initiative to support the development of young companies in this way. Now, Sweden, Finland, Norway and Estonia could be the next to introduce the status.

Part of the project will also focus on the implementation of the Young Listed Company (YLC) status. While the YIC status is focused on early stage and emerging companies, the YLC status is targeted at innovative companies listed on a stock exchange.

“Tax incentives are very important for the development of new innovative biotech companies in Europe. We will work for a rapid introduction of such measures,” says Per Vretblad, Head of biotechnology at SIK - the Swedish Institute for Food and Biotechnology – who is leading the project.

“The Swedish Life Science industry employs more than 41000 people in Sweden and SwedenBIO has identified tax incentives as the most important step to further increase

and develop the business. This is a very global, competitive and growing industry and we need world class business conditions in Scandinavia,” says Per-Erik Sandlund, CEO of SwedenBIO.

“Investors don’t invest in tax. If a company can assure an investor that their euro will fund one euro’s worth of research, that will make a huge difference to investors,” says Johan Vanhemelrijck, Secretary General EuropaBio. “EuropaBio welcomes and fully supports this new Nordic/Baltic initiative. A broad EU wide YIC status will certainly make Europe a more attractive and competitive place for entrepreneurs to establish and further expand their businesses.”

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Notes to Editors

(1) Young Innovative Company status fact sheet

http://www.europabio.org/bi_infokit_emerging.htm

(2) About EuropaBio

EuropaBio is the political voice of the biotechnology industry in Europe. The association for bioindustries has a membership of some 55 corporate members operating worldwide, 11 associate organisations, 3 regions and 25 national biotechnology associations representing some 1500 biotech companies. www.europabio.org