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Southwest Michigan First's Newest Start-Up Company Banks on Scientific Reputation of Its Founders

KALAMAZOO, MI: Southwest Michigan First has announced the formation of yet another biopharmaceutical company under the leadership of two world-renowned former Pharmacia scientists.

Micromyx (pronounced my-CRO-mix) will pursue discovery and development of antibacterial agents as a contract research organization for the pharmaceutical industry. Its founders, Dean Shinabarger, PhD, and Gary Zurenko, were part of the lead scientific team behind the development of such notable antibiotics as Zyvox. The international reputation of these men and their Micromyx team of scientists have established an immediate credibility for the young start-up. Incorporated in June, Micromyx has already secured research contracts from some of the world's leading pharmaceutical companies engaged in antibacterial discovery.

"The market for antibiotics is tremendous," said Shinabarger, Micromyx president and CEO. "This was a \$27 billion market just three years ago and is expected to top \$33 billion by 2010. But more importantly, patents for nearly half of the top performing products currently on the market are expiring. Drug companies are scrambling to fill their pipeline with the next great discovery."

Zurenko said that another factor affecting the market is the increasing resistance that bacteria are developing to existing antibiotics. "Infections due to bacteria are one of the most common reasons for doctor visits," Zurenko said. "Historically, a simple prescription for penicillin or erythromycin would quickly treat the problem. But today, resistance to these antibiotics is more common than not. And drug companies are looking outside their own labs for research assistance in order to expedite the discovery and development of novel antibiotics."

More

Contract research organizations like Micromyx are becoming increasingly important to the growth of the pharmaceutical industry. A recent report by the prestigious Milken Institute, commissioned by the Pharmaceutical Manufacturer's Association or PhRMA, predicts continued consolidation of the

pharmaceutical industry in Michigan with a projected loss of nearly 1700 jobs. At the same time, Pharmaceutical Technology's Outsourcing Resources 2004 report, says that pharmaceutical companies are rapidly increasing their outsource spending. According to the report, the caliber of science and demonstrated capabilities of the supplier is the number one deciding factor in which lab to use.

Southwest Michigan Innovation Center CEO Doug Morton agrees with the findings of both organizations.

"Large pharmaceutical firms will continue to consolidate, eliminate duplicate services and capitalize on the value outsourcing can bring to their business," Morton said. "That puts Micromyx and other research labs like theirs in a very good position for continued growth. Of course, Micromyx has the unique advantage of an experienced and expert scientific staff that has actually been operating inside big pharma in much the same way they do now."

Broome said the founding of Micromyx and similar contract research organizations helps ensure that Kalamazoo is prepared for continued change in the pharmaceutical industry.

"This is the kind of company that couldn't be established just anywhere in the world," Southwest Michigan First CEO Barry Broome, said. "Micromyx's business model is based in large part on the caliber of science and the experience of the team that makes up the company. Gary and Dean wanted to stay in Kalamazoo and we as a community made it possible for them to do so by providing the infrastructure and the support system for their company to be successful. The Milken Institute validates our economic model and we're confident that with scientists like Dean and Gary on board, we may even be a little ahead of the curve."

Micromyx has received support from Southwest Michigan First, from the Michigan Economic Development Corporation and is seeking funding from the Bioscience Research and Commercialization Center. The current team of four scientists predicts an expansion of two additional employees by the first quarter of 2005.

The company marks the 14th start-up currently housed at the Innovation Center, which is just over a year old. It is 86 percent full and employs 78 people directly and indirectly through tenant companies housed there. Kalamazoo's success in launching new biopharmaceutical and life sciences companies has helped to make Michigan the fastest-growing life sciences cluster in the country. Broome said that new business creation is an important part of SMF's economic model for growth because new companies are hiring at a much faster pace than established companies. According to the International Economic Development Corporation, new businesses contribute nearly 100 percent of

net new jobs in the economy (Economic Development Summary, Summer 2004). Micromyx's long-term growth outlook calls for hiring up to 35 employees in the next 10 years.