

The Beginning of Something Great

By Dr. Eddie Sullivan, COO of Hematech, Inc. and President of the South Dakota Biotech Association



Throughout history great things have happened when like minded individuals have combined efforts to move forward with great ideas and great efforts. This is the pattern of the South Dakota Biotech Association. Great credit is due to Randy Stratton of TSG Marketing (Sioux Falls) for scheduling two organizational

meetings in November of 2005 to create an association of industry within the State of South Dakota that would bring together companies and researchers within the bioscience arena. It was after these meetings that organizational efforts began. Sherri Rotert of Boyce, Greenfield, Pashby and Welk (Sioux Falls) donated many hours of work to organize the association as a 501(c) 6 corporation and develop the first bylaws of the organization. The final organization was completed in April of 2006. The first board meeting was held shortly thereafter consisting of Randy Stratton, Christ Mateo of RTI (Brookings), Alex Kahler of Biogenetic Services (Brookings) and myself.

It has been my great honor to serve as President of the association since its organization. Our board of directors has increased in talent and experience by welcoming Lisa Richardson of South Dakota Corn Utilization Council (Sioux Falls), Christine Hamilton of Christiansen Land and Cattle (Kimball), Steve Statz of Avera Health (Sioux Falls) and John Paulson of Sanford Health (Sioux Falls). The current advisors to the board include Kevin Kephart (SDSU), Laura Jenski (USD) and Patrick Gilcrease (SDM&T). Certainly our greatest asset is our Executive Director, Jeremy Freking who joined SD BIO in March of 2007. Our membership continues to increase to over twenty-five companies, organizations and individuals

that will change the landscape and position of South Dakota in the bioscience world.

The association is now fully engaged in the business of promoting and coordinating the bioscience industry in South Dakota. Last year, SD BIO in coordination with the South Dakota Governor's Office of Economic Development participated in the first South Dakota Pavilion at the International Biotechnology Conference in Boston. We continue this year in San Diego with a pavilion at the international conference that is twice the size as last year. The purpose of these promotional activities is to engage South Dakota in three main areas of bioscience focus; 1) animal and human health, 2) food and agricultural bioscience and 3) biofuels and industrial bio-

science. As the forty-first state affiliate of the Biotechnology Industry Organization (BIO), our national organization located in Washington DC, the South Dakota Biotech Association is committed to promoting economic development, networking, finding resources and providing benefits to our members. Recently, the association signed agreements with Fisher Scientific and BIO for purchasing agreements that provide discounts to members of the association. Many more efforts are underway to provide a full range of member benefits.

We look forward to bright future in bioscience within South Dakota and working with State government to continue the development of this industry. We would like to truly thank those who have sponsored our meetings, donated there time and talents and have provide great effort in creating something great.

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South Dakota Exhibiting at the 2008 BIO International Conference

San Diego, California will be the stage for the world's largest Biotechnology conference and tradeshow on June 17-20, 2008. This annual conference is conducted by the Biotechnology Industry Organization (BIO). California Governor Arnold Schwarzenegger and former Secretary of State and Army General Colin Powell will present keynote addresses to the more than 20,000 attendees from some 70 countries around the world. More than 2,200 exhibitors will encompass a trade show that is second to none.

For the second year in a row, South Dakota will have a strong presence at this show featuring an 800 square foot pavilion showcasing South Dakota companies and opportunities for our state in the Biotech world. "The SD Pavilion was created to showcase the nation's best economy and leaders in agriculture, science, research and healthcare," said Randy Stratton a member of the Executive Board for the South Dakota Biotech Association.



The 400 square foot pavilion featured displays from the South Dakota Biotech Association, Hematech, Inc., South Dakota Corn Utilization Council and the SD Governor's office of Economic Development. In addition to the exhibitors were representatives from the Sioux Falls Development Foundation, Brookings Economic Development Corporation, SDSU, Rural Technologies Inc., BIO-DAK LLC, SD Center for Infectious Disease Research & Vaccinology, Sanford Health and Sanford Research/USD on hand.

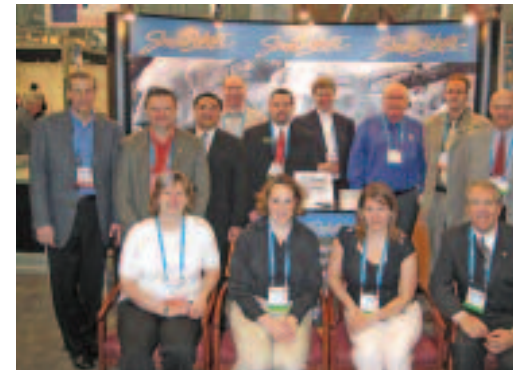
Economic Development

"Biotechnology is a center piece of South Dakota's development strategy in terms of research, education and economic development," said Mel Ustad, Director of Commercialization for GOED. "The South Dakota Pavilion provides a one stop location for conference participants to learn about South Dakota's cutting edge research, available biotech R&D facilities, skilled workforce and the state's great business. Our hope is that people will take notice, and

choose our State to locate their business."

Creating New Business Relationships

Jeremy Freking, Executive Director for the South Dakota Biotech Association is in charge of organizing the pavilion and coordinating the event for all participating South Dakota companies. He says it is a great opportunity for South Dakota exhibitors to create new alliances and business partnerships. "All facets of Biotechnology will be addressed at the conference including healthcare, food and agriculture, industrial and environmental applications such as biofuels, and others," said Freking. He is excited by the interest the pavilion generated last year by some of the 22,000 attendees who stopped and visited South Dakota exhibits. "There is something there for everyone; business leaders, company representatives, public officials and researchers make this the networking opportunity of the year!"



John Paulson, Vice-President of Administration at Sanford Health took notice: "The sheer magnitude of and high level participation at the conference by so many biotechnology companies, states, organizations, researchers and administrators was impressive. Additionally there is value in the great variety of exhibits, programs, and educational sessions provided at the conference."

2008 SD Pavilion

Around 25 individuals from South Dakota will be attending this year's event. 2008 SD Pavilion exhibitors include: Sanford Health, South Dakota Biotech Association, South Dakota Corn Utilization Council, South Dakota State University, Brookings Economic Development Corporation and the SD Governor's Office of Economic Development. Also exhibiting is Sioux Falls based, Hematech, Inc. and the Sioux Falls Development Foundation is also a major sponsor of the event. The South Dakota Biotech Association would like to thank all of these exhibitors and sponsors for their involvement in the 2008 Pavilion. The 2009 conference will be held in Atlanta, GA. For more information about this event, contact the South Dakota Biotech Association headquarters.

South Dakota Represented at the BIO Legislative Fly-in

By Jeremy Freking, Executive Director, South Dakota Biotech Association

The South Dakota Biotech Association attended the Annual BIO Legislative Fly-in on April 15-16, 2008 in Washington, DC. During the event, more than 200 biotechnology industry representatives from 36 states participated in hundreds of meetings with key Members of the House and Senate.



I was honored to represent the members of the South Dakota Biotech Association on issues important to the industry. My trip included visits to Capitol Hill where I had meetings with Senator Thune, Senator Johnson and Representative Herseth-Sandlin.

While there were a number of topics discussed during my meetings, I thought I'd share a few of the topics discussed and provide a little background information.

Intellectual Property – Patent Reform

Patent Reform is the lifeblood of the biotechnology industry. Strong patents are critical to assure a steady stream of capital to biotechnology companies to heal, fuel and feed the world. SD BIO supports a consensus-based approach to patent law reform, one that would improve the patent system for all sectors of the economy. We support reforms that are objective, predictable, and transparent. We oppose S. 1145 because we feel the bill is flawed. After passing in the House last year, the bill stalled in the Senate Judiciary Committee. It has yet to see the Senate floor due to major concerns with several provisions. These provisions include apportionment of damages, a second window post grant opposition system and an inequitable conduct provision. The South Dakota Biotech Association will continue to monitor the issue and advocate for patent reforms that won't cripple our industries and University tech transfer.

NIH Appropriations

An increase in NIH funding is vital to the advancement of biomedical discovery and innovation. NIH helps fund the basic research that the biomedical industry uses. We

want to return NIH funding to historic growth. Much medical progress was fueled by the doubling of NIH's budget between 1998 and 2003. Over the past five years, the NIH budget has been flat or declining in real-dollar terms. We urged our Congressional delegation to support our nation's biomedical research enterprise by funding NIH at \$31.2 billion in FY 2009. Biomedical research is the key to meeting the challenge of rising healthcare costs and is important to America's global economic and scientific competitiveness.

FDA Appropriations

For FY2009 we encourage an increase of \$70 million for FDA's human drug and biologics programs as part of a \$380 million increase for the agency as a whole. FDA provides necessary resources to keep pace with rapidly evolving biomedical science and make sound regulatory decisions in a timely and efficient manner. The additional funds will aid FDA as they are struggling to keep up with mandates and lack of funding decreases FDA staff. Increased funding for FDA will help bring novel treatments to patients and promote U.S. Economic Competitiveness.

Biofuels

Since Ag biotechnology in the form of GMO's was introduced in crops like corn in 1996, crop yields have increased by 30% and are projected to increase another 20% by 2015. We reiterated the ability of our nation's producers to increase yields to meet the demands of corn and the faith of our ethanol companies and researchers to make great strides in producing ethanol from Cellulosic raw material.

We support the RFS and tax credits for advanced bio-fuel producers. We shared with our members of Congress we can meet the increased renewable fuel standard (RFS) in a sustainable way by 2022. The RFS signed into law in 2007, requires 36 billion gallons of renewable fuels by 2022 (5 times the current production). Of this, 16 billion gallons must come from Cellulosic biomass.

South Dakota Biotech Association Launches New Member Benefits

Fisher Scientific and SD BIO

The South Dakota Biotech Association is pleased to announce an exciting new membership benefit. Fisher Scientific and SD BIO have partnered to offer the most aggressive pricing agreement for laboratory supplies and services to members of SD BIO.

- “Peace of Mind” Pricing – Greater than 32% Off List Price, offering comprehensive pricing that covers all of your laboratory needs.
- Additional savings for an individual “hotlist” customization for each member company.
- Service and leasing agreements for laboratory instruments at discounted rates.
- Immediate credit line established for SD BIO members, new to Fisher Scientific.

BIO Business Solutions

Capital preservation is as critical as capital development.

As part of your South Dakota Biotech Association membership, take advantage of BIO Business Solutions, the largest purchasing consortium for the life science industry. BIO Business Solutions delivers value through partnerships, translating cost-savings to your company's bottom line. Program benefits include up to 75% off office supplies, favorable pricing and comprehensive business insurance policies, discounted news distribution services, and savings on computer and technology products, among many others. More than 1,700 companies currently take advantage of BIO Business Solutions.

For more information on all of these and other member benefits, contact us for more details.

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— SAVE THE DATE —

3rd Annual South Dakota Biotechnology Summit
Wednesday, September 10, 2008
Ramkota Exhibit Hall, Sioux Falls, SD

Join us for the Third Annual Biotechnology Summit presented by the South Dakota Biotech Association.

The event will be highlighted by Keynote Speaker, Bruce Knight, Under Secretary of the US Department of Agriculture.

Breakout Sessions from Industry Experts Include:
Bio-fuels and Renewable Energy
Plant & Animal Biotechnology
Human Health/Biomedical Topics
Intellectual Property & Patent Reform

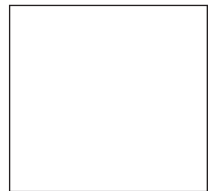
Panel Discussion: “**How to Grow and Develop the Biotechnology Industry in South Dakota.**”

Listen to a panel of experts from outside the state who have been successful in creating Economic Development clusters in the Bio-Science industry and participate in a group discussion.

Other events:
Exhibitor Booths on display
Research Poster session for student and faculty
Association Annual Meeting



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