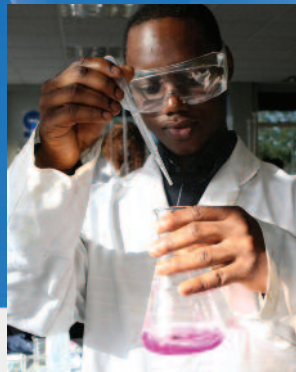


2011 Economic Impact Report



HINJ

HealthCare Institute of New Jersey

ADVANCING GLOBAL HEALTH • LEADING NEW JERSEY'S ECONOMY

in association with...

Deloitte.

About the 2011 Survey

The HealthCare Institute of New Jersey (HINJ) commissioned the first economic impact survey of HINJ member companies in 1997. Since then, the survey has served as an annual benchmark for one of the state's leading economic drivers.

The 2011 survey measures various aspects of economic activity by New Jersey's biopharmaceutical and medical technology industry that is a key contributor to the State's economic engine, and then quantifies the economic impact of this vital industry. This survey employs widely accepted economic multiplier formulas on a consistent basis.

Information for the 2011 survey has been compiled from 19 leading biopharmaceutical and medical technology companies that are included among HINJ's membership. The sample group, which was surveyed regarding 2010 calendar year data, includes 16 HINJ member companies that participated in the previous year's study, together with new survey participants. Prior year results were not adjusted to reflect information from HINJ member companies that did not participate in the 2011 survey.

The data elements presented in this year's report remain consistent with those included in the 2010 report, reflecting year-to-year fluctuations across a variety of key economic metrics.

This is the eighth survey performed by Deloitte.* HINJ thanks Deloitte for its assistance in compiling the economic data included in this report. Deloitte is responsible for aggregating the economic data presented in this report and for providing the related tables. HINJ is responsible for all commentary regarding this economic data.

"The pharmaceutical industry remains a cornerstone of the state's economy."

**Governor
Chris Christie,
April 13, 2011**

Economic Impact on New Jersey by HINJ Survey Participants (amounts in \$ billions)

Activity Area	2010		2009	
	Direct Economic Impact	Total Economic Impact	Direct Economic Impact	Total Economic Impact
Payroll** – NJ residents only	\$6.220	\$7.563	\$6.672	\$8.088
Benefits	1.281	1.281	1.750	1.750
Vendor spending – NJ to NJ	3.082	5.487	4.677	8.400
R&D	8.446	8.446	7.989	7.989
Capital spending	0.685	1.243	1.535	2.809
Charitable donations	0.161	0.161	0.214	0.214
Estimated \$ Impact	\$19.875	\$24.181	\$22.837	\$29.250

Note: Multiplier effects are only calculated for the following activities and are based on the 2009 IMPLAN model: payroll, vendor spending, and capital spending.

* As used in this document, "Deloitte" means Deloitte LLP and its subsidiaries. Please see www.deloitte.com/us/about for a detailed description of the legal structure of Deloitte LLP and its subsidiaries. Certain services may not be available to attest clients under the rules and regulations of public accounting.

**Direct economic impact includes pretax dollars paid to NJ residents.

A Message From Dean J. Paranicas

President And Chief Executive Officer HealthCare Institute Of New Jersey



To our friends:

The HealthCare Institute of New Jersey's 2011 Annual Economic Impact Report confirms a broadly-held view: HINJ member companies continue to drive our state's workforce and economy.

The \$24.2 billion annual economic impact in New Jersey reported by our member companies in 2011 reflects the expansive – and diverse – scope and reach of this premier industry to all corners of the state. Despite the economic upheavals of recent years, New Jersey remains the “medicine chest to the world,” with the highest concentration of biopharmaceutical and medical technology companies to be found anywhere.

Although the data shows a lower level of economic activity as compared with last year's report, several factors impacted the results. Key among them were that fewer companies responded to the 2011 survey (which is voluntary), and less than all participants reported about industry spending with New Jersey-based vendors. In addition, the lingering effects of the global recession and industry consolidation over the past several years continued to impact our member companies.

Importantly, several major bright spots bode well for future economic activity by our member companies in New Jersey. Research and development spending in the state – the embodiment of innovation, the lifeblood of the life sciences – was up by 11.4 percent, and medical device trials conducted by reporting companies soared 49.1 percent. This encouraging data was bolstered by announcements made by several HINJ member companies to expand in New Jersey, as well as by other life sciences companies that announced they are relocating to, or expanding in, our state.

New Jersey faces vigorous competition from other states and countries persistently trying to lure New Jersey's life sciences companies away. We therefore applaud actions taken during 2011 by our leaders in Trenton to make New Jersey more competitive and attractive for additional life sciences investment. However, the report reinforces the need for our policymakers in Trenton and Washington to continue pursuing policies that foster innovation and attract businesses to the Garden State. Meeting the challenge requires a sustained, multi-year effort, and we intend to support them in this effort.

In 2012 and beyond, HINJ's member companies look forward to continuing what we've done for so many years – innovating and investing in New Jersey, and, in so doing, advancing global health while leading New Jersey's economy.

Sincerely,

A handwritten signature in blue ink that reads "Dean Paranicas". The signature is fluid and cursive, written over a light blue horizontal line.

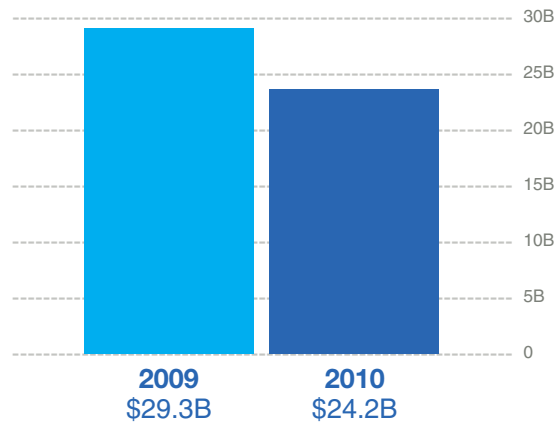
Dean J. Paranicas
President and Chief Executive Officer
HealthCare Institute of New Jersey

At a Glance

Total Economic Impact

Life Sciences Continue to Lead New Jersey's Economy

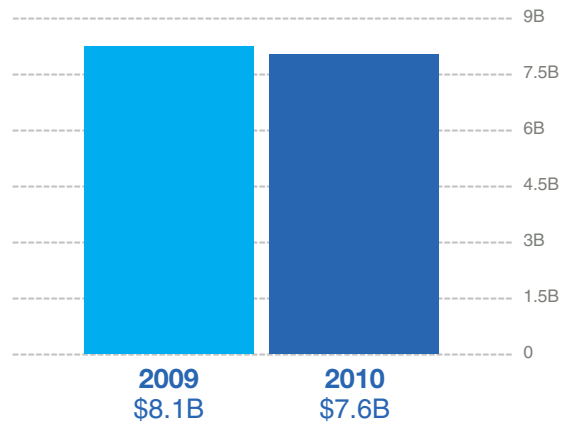
The economy of New Jersey has long thrived on the concentration of life science businesses in the state. Despite the impact of consolidation and strategic realignments, New Jersey's biopharmaceutical and medical technology industry remains a leading economic sector within the state. In 2010, reporting HINJ member companies had an estimated overall economic impact of \$24.2 billion on New Jersey's economy. This amount was lower than last year's estimated overall economic impact of \$29.3 billion due to lower survey participation and economic and industry factors.



Payroll

Compensation Remains Strong

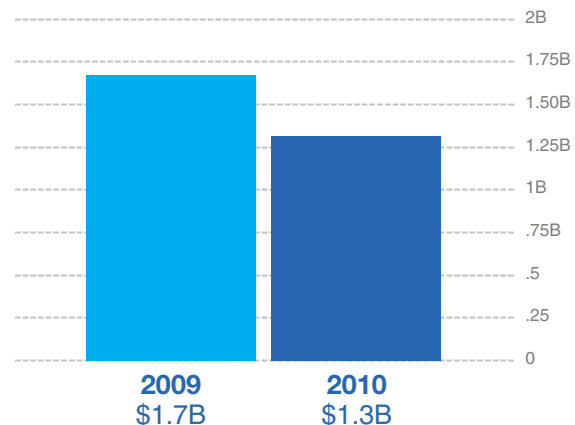
In 2010, New Jersey's economy benefited from the approximately \$7.6 billion aggregate payroll earned by HINJ survey participants for jobs based within the state. Although these jobs attract many residents from neighboring states such as Pennsylvania or New York, New Jersey state residents hold the vast majority of these jobs, which generated average total compensation per employee of \$151,000.



Benefits

Industry Continues to be Competitive

The industry offers to its workforce attractive benefits that average approximately \$31,000 per employee per year.

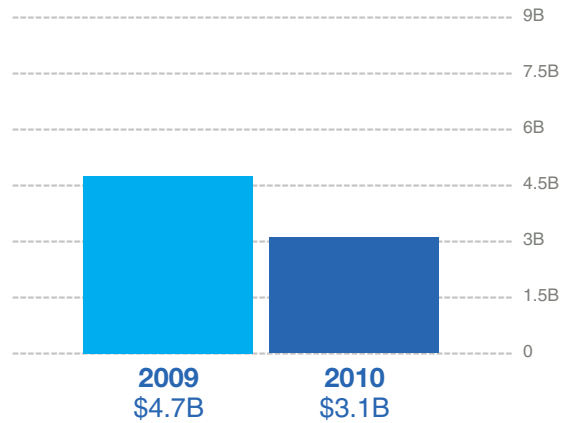


At a Glance

Vendor Spending

Outside Spending Affected by Global Downturn

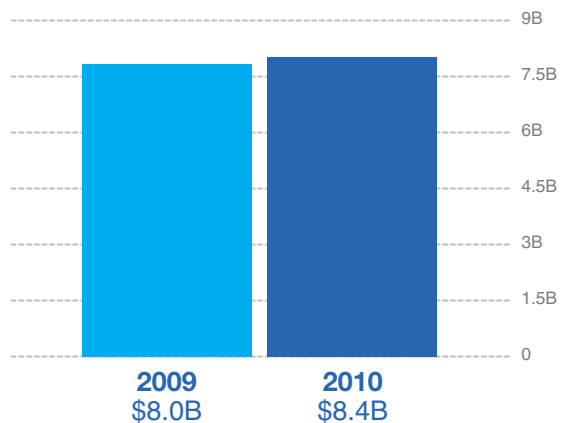
To support their day-to-day operations, HINJ member companies rely on a tremendous number of vendors who provide a wide array of goods and services. Vendor-related spending originating from New Jersey-based facilities exceeded \$24.5 billion in 2010, of which an estimated \$3.1 billion was spent on vendors located within the state.



Research & Development

NJ Life Sciences Increase R&D Spending

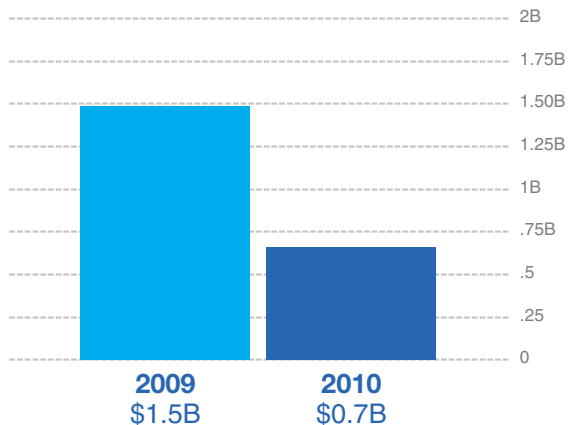
New Jersey has long distinguished itself as a leader in R&D activity. Research and development is the “lifeblood” of the industry ... an industry focused on saving, improving and enhancing lives. In 2010, HINJ member companies participating in this year’s survey invested \$8.4 billion in research and development activity in New Jersey, an increase of \$400 million from the prior year’s survey.



Capital Spending

Capital Investment Reflects National Economy

Once again, the biopharmaceutical and medical technology industry has shown itself a leader in capital construction spending. Although lower than 2009, overall capital expenditures of \$700 million represent a significant commitment to New Jersey.

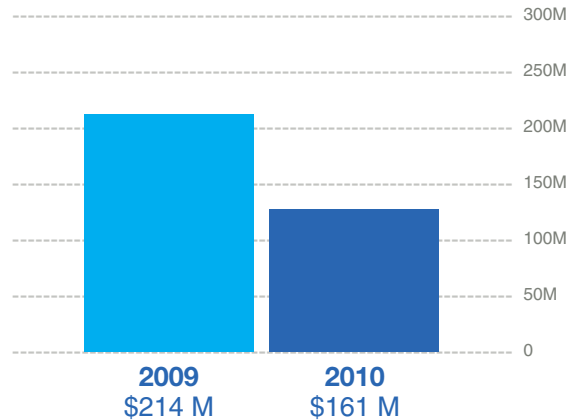


At a Glance

Charitable Donations

Life Sciences Continue Charitable Outlays Despite Recession

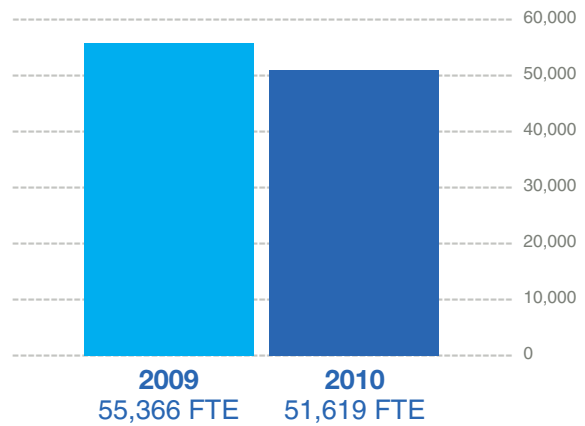
HINJ member companies care about their communities and their commitment to being exemplary corporate citizens is reflected in their extensive efforts to improve access to healthcare, fund unique and innovative education programs, and partner with the arts community through support of both local and global initiatives. In 2010, the estimated New Jersey giving by HINJ member companies was \$161 million as compared to \$214 million in 2009.



Employment

Employment Decreases Slightly

In 2010, HINJ member companies participating in the survey accounted for 51,619 New Jersey-based jobs. This figure represents a decrease compared to 55,366 in the prior year.



Additional Economic Activity-2010

Industry Taxes Paid (total state, local and municipal)	\$731.4 Million
State Rebates Paid by HINJ Member Companies	\$229.3 Million*
Medicaid	\$181.1 Million*
PAAD & Senior Gold	48.2 Million*
Biopharma Products in Development	501
Med Tech New Product Applications	79

*Information provided by HINJ

About the HealthCare Institute of New Jersey

New Jersey is home to more biopharmaceutical companies than any other state in the country, or any other country in the world. The biopharmaceutical and medical technology industry is a major factor in creating a thriving economy in our state, as well as making New Jersey a leader in research and development.

The HealthCare Institute of New Jersey (HINJ) is the trade association for New Jersey's research-based biopharmaceutical and medical technology companies. Founded in 1997, HINJ serves as a unified voice for the sector and seeks to build awareness of the life sciences' impact on New Jersey's quality of life and economic well-being. There are currently 30 members of the HealthCare Institute of New Jersey. To learn more about HINJ, please visit www.hinj.org.

HINJ – Advancing Global Health • Leading New Jersey's Economy

HealthCare Institute of New Jersey Member Companies

Abbott Point of Care, Inc.
Amicus Therapeutics, Inc.
Bausch + Lomb
Baxter HealthCare Corporation
Bayer HealthCare Pharmaceuticals
BD
Bristol-Myers Squibb Company
C. R. Bard, Inc.
Catalent Pharma Solutions
Celgene Corporation
Daiichi Sankyo, Inc.
Dendreon Corporation
Eisai Inc. of North America
Endo Pharmaceuticals Holdings Inc.
Forest Research Institute, Inc.
Genentech, Inc.

GlaxoSmithKline
ImClone Systems,
a wholly-owned subsidiary of Eli Lilly and Company
Immunomedics, Inc.
Johnson & Johnson
Lundbeck Research USA
Merck & Co., Inc.
Millennium, The Takeda Oncology Company
New American Therapeutics, Inc.
Novartis Pharmaceuticals Corporation
Novo Nordisk Pharmaceuticals, Inc.
NPS Pharmaceuticals, Inc.
Pfizer Inc.
Sanofi
Stryker Corporation



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