

POOR RELATION?

EUROBIOTECH TRAILS U.S. R&D SPENDING

LONDON—In some ways, European biotechnology companies pale when compared to their U.S. counterparts. Ten European biotech companies surveyed by *Bio/Technology* spent a total of \$63.3 million on research and

companies in R&D spending.

Indeed, a merged EuroBiotech would look a lot like Amgen (Thousand Oaks, CA) in terms both of R&D spending and personnel, 1179 employees for Amgen compared to 1398

companies. Also, Amgen has been around longer than most of EuroBiotech.

European companies, though, increased R&D spending twice as fast as U.S. firms. European research spending

TABLE 1 EUROPEAN COMPANY COMMITMENTS TO R&D

Company*	RESEARCH & DEVELOPMENT SPENDING				REVENUES		NET INCOME
	Latest FY Spending (\$ Million)	Change from Last FY (%)	Versus Revenue (%)	Per Employee (\$)	Latest FY (\$ Million)	Change from Last FY (%)	Latest FY (\$ Million)
Agricultural Genetics	6.6	0.0	236	66,000	2.8	17	(4.44)
BioEurope	1.6	15.0	60	67,000	2.73	78	0.1675
British Bio-technology	11.2	51.5	294	73,710	3.805	14.7	(2.76)
Celltech	15.8	56	49	37,765	32.24	2.0	(21.7)
Innogenetics	6.194	13-19	73.1	38,715	8.47	13	(1.93)
Mogen	1.47	21	107	45,937	1.363	310	(1.074)
Oxford GlycoSystems	2.5	25	NA	102,000	NA	200	(3.5)
Plant Genetic Systems	8.126	12	182	67,717	4.48	187	(5.25)
Porton International	5.36	-11	22	18,048	24.65	75	NA
Xenova	4.45	59	194	62,694	2.3	94	(3.203)
Total	63.3	NA	NA	NA	82.838	NA	(43.69)
Average	6.76	26.2	73.4	45.263	9.2	30.4	(4.85)

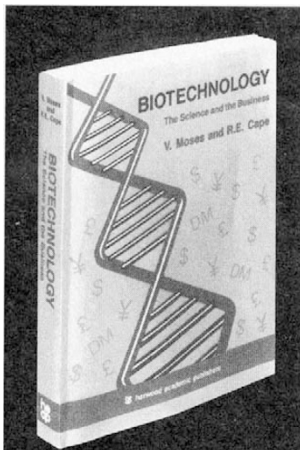
*Figures are converted in dollars at 1991 exchange rate.

development (R&D) in fiscal 1990, around 13-14% of the total spending of the top 10 U.S. biopharmaceutical companies (*Bio/Technology* 9:690). Only Celltech (Slough, U.K.), British Bio-technology (Oxford, U.K.), and Plant Genetic Systems (Ghent, Belgium) rank with the top 15 U.S.

for EuroBiotech. The comparison ends, however, when it comes to revenues: Amgen boasted \$381.2 million revenue in 1990, while EuroBiotech managed only \$82.8 million, with an average of \$9.2 million per company. Amgen's revenues, however, are exceptional, relative to U.S. biotech

among European biopharmaceutical companies rose 34 percent, with Xenova (Slough), Celltech, and British Bio-technology responsible for most of the increase.

Most of the companies surveyed would rank as second tier companies in the U.S. —John Hodgson



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