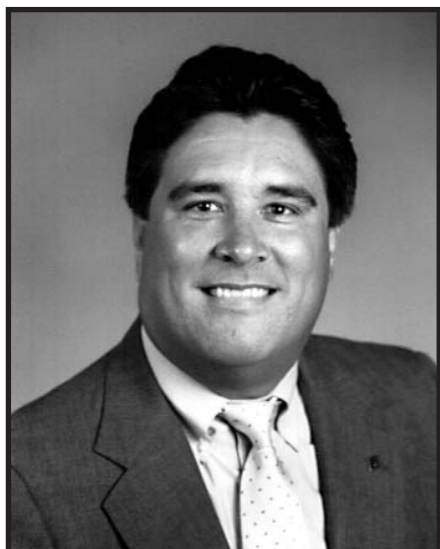
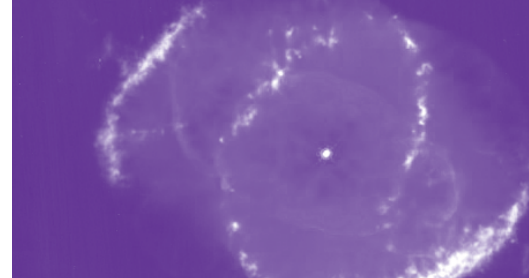




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Beyond Borders

The Global Biotechnology Report 2002



Donn Szaro
Global Health Sciences Director,
Ernst & Young

**To our clients and
other friends**

June 2002

Welcome to *Beyond Borders: Ernst & Young's Global Biotechnology Report 2002.*

We at Ernst & Young Global Health Sciences are pleased to present the first global biotechnology report.

Beyond Borders is the continuation, combination, and expansion of Ernst & Young's previous regional annual biotechnology reports. After 15 years of producing the U.S. biotech reports, eight years producing the European life sciences reports and a host of other regionally focused reports, we, like our clients and the biotech industry as a whole, have grown out of the geographic barriers that once defined our industry. And to convey the key trends emerging from this industry in 2002 we have, necessarily, covered the world. Our first global report therefore expands upon our successful U.S. and European focused reports to include an analysis of Canada, and Asia/Pacific countries, and some of the world's developing markets. We not only illustrate a detailed local view but also put that information in a global context. *Beyond Borders* is broken into two major sections.

Section 1—The global marketplace

In this section we examine data on global biotechnology. The 25 countries surveyed in this report represent nations with the most developed biotechnology industries and account for 79% of global gross domestic product. We explore how biotechnology has grown, the key factors that contribute to this growth, and the diverse perspectives of biotechnology leaders who are working beyond borders.

Section 2—Regional markets

This section is broken down into the main world markets. While the industry is undeniably global, knowing a global market is impossible without clear local knowledge. In this section we give you the vital insight on the industry's local progress, trends, and events. You will immediately recognise our popular U.S. and European biotechnology reports with an expansion of our familiar data, interviews, and review of the year. We have added sections exploring the Canadian and Asia/Pacific markets.

During our voyage around the world, we have captured the diversity of the industry and the global market with perspectives from executives of stock markets worldwide and leading venture capital firms, CEOs of multi-national companies and medical centres, academics, and government officials such as the South Africa Director of Genetic Resources.

To represent *Beyond Borders* graphically we selected a National Aeronautic and Space Administration photo of the Cat's Eye Nebula. Using the Hubble Space Telescope, Professor Patrick Harrington of the University of Maryland created this photo from light that travelled for 3,000 years.

Producing *Beyond Borders* has been a beyond border experience. As you read through the report, also be sure to join us at our companion Web site: www.ey.com/beyondborders. We will update the site with notices of interest as well as links to our Global Health Sciences practice and country specific practices around the world.

Sincerely,

Donn Szaro
Global Health Sciences Director, Ernst & Young

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