

TRANSLATION – original article titled “Quand une firme québécoise menace de se développer ailleurs”

<http://argente.canoe.ca/lca/affaires/quebec/archives/2010/02/20100217-121020.html>

When a Quebec company decides to set-up elsewhere

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If the Quebec government does not temporarily lend a hand to this Quebec company, it may resort to setting up its research and development facilities, which would include a 70-person workforce, elsewhere in the world.

Montreal-based ProMetic Life Sciences Inc. specializing in processes for the development and purification of biopharmaceuticals.

This local company is involved in two joint ventures with the American Red Cross, allowing for the extraction of proteins from plasma, leading to the development of drug candidates for the treatment of cancer or blood anomalies.

As stated by Pierre Laurin, ProMetic's CEO, the Company would like to establish a state of the art manufacturing facility in Quebec and may already have found facilities suited to this purpose. Unfortunately, the Company has been unable to secure a bridge loan for a year or so, until it attains a break-even status.

In addition, Mr. Laurin states that the Company's activities are nevertheless very important. "The protein industry has a very limited supply of highly specialized resources. Our clients come to us to solve issues that often do not interest the larger players in this industry. By using our technology these same clients can complete their projects and access high-value markets".

This senior officer sees great benefits to having research and development activities in Quebec, including 70 new high-paying positions. "We would create a critical mass that would allow for savings at industrial scale. We could manufacture here (in Quebec) and export to the United States and Europe, which is solid business plan. Our currency and certain base expenses, such as electricity, offer cost benefits".

ProMetic estimates that its activities in Quebec are not yet profitable but that its international activities are generating revenues. This explains the 30 layoffs that occurred in Quebec for which a bridge financing could help reverse the situation.

"We are not asking for a hand out," said Pierre Laurin. "We have always stood on our own two feet. We have raised funds in Quebec, the United States and in Europe. With groups like Abraxis and the Caisse de depot et placement. All we

are asking for is a bridge loan and expect that in one year we will be able to cover our expenses”.

However ProMetic says that it was turned down by Investissement Québec. This group has nonetheless helped other companies with profitable activities in Quebec but whose activities outside of Quebec are losing money, which in fact is equivalent to offsetting their foreign losses.

Assistance refused?

Josée Béland, spokesperson for Investissement Quebec, said that her employer has tried to help ProMetic.

"We have made offers," said Béland. "We have offered to guarantee a line of credit as we often do, but the bank refused to grant them the line of credit. This is not something we can control”.

The spokesperson added that "We have proposed funding against their tax credit for research and development so that they would not have to wait for their tax return to receive the money but they refused”.